



Daily Report

East Europe

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FBIS-EEU-96-028
Friday
9 February 1996

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Daily Report

East Europe

FBIS-EEU-96-028

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UN: Arrest of Two Serbian Officers 'Legitimate'

AU0802164496 Vienna Oesterreich Eins Radio
Network in German 1100 GMT 8 Feb 96

[Report by Barbara Ladinser on news conference by Richard Goldstone, chief prosecutor of the UN Tribunal for war crimes in The Hague, in Vienna—recorded; Goldstone statements in English with superimposed German translation]

[FBIS Translated Text] [Ladinser] Chief prosecutor Goldstone is certain that the arrest of the two Serbian officers was absolutely legitimate.

[Goldstone] There is absolutely nothing in the Dayton Accord that prevents the governments in the former Yugoslavia from arresting people suspected of having committed criminal offenses.

[Ladinser] The two officers are currently in a Bosnian prison in Sarajevo. The Hague tribunal is examining whether there is enough evidence to bring a charge against them. If there is, they will be transferred to The Hague; if not, the case will be ceded to the Bosnian Serbs, who will then administer justice on the basis of their laws.

[Goldstone] Any national state has jurisdiction to investigate and arrest people who are suspected of crimes. We

have what is referred to as primacy of jurisdiction. We can decide whether we want to hear the case or whether it should be left for the national courts.

[Ladinser] But is it not somewhat too optimistic and particularly too risky to leave jurisdiction to the former warring parties over those war criminals the tribunal in The Hague does not want?

[Goldstone] I think if the former warring parties generally want peace there must be justice. Otherwise, there is not going to be an enduring peace.

[Ladinser] Still, who should enforce that, and by what means?

[Goldstone] Well, we cannot. As a tribunal, we do not have political power. That is a matter, really, for the international community.

[Ladinser] To the often asked question of whether he thought Radovan Karadzic and Ratko Mladic would one day also appear in The Hague tribunal, Judge Goldstone said: That is like looking into a crystal ball, and added that he was hoping that they would.

Bulgaria: PM Views Zhelev's BSP Assessment, NATO

AU0902072496 Sofia 24 CHASA in Bulgarian
4 Feb 96 p 7

["Excerpt" of news conference by Prime Minister Zhan Videnov with unidentified correspondents in Varna on 3 February: "Zhelyu Mitev Zhelev Will Be President Only Until October"]

[FBIS Translated Text] [Correspondent] Mr. Videnov, you have not commented officially on President Zhelev's assessment of the Bulgarian Socialist Party [BSP] government's first year in office. Do you find any of the criticism justified?

[Videnov] The president's statement contained only a few correct conclusions regarding the difficult political dialogue, the deformed public debate, and the clashes between the institutions. There were also some grave lies. I expect Mr. Zhelev to prove the corruption accusations against the government and the BSP leadership because they are lies.

The president gravely discredited our country in his news conference when he discussed our foreign policy. A head of state cannot talk like that about his country. This is either a malicious incompetence or a total irresponsibility regarding Bulgaria's international authority.

[Correspondent] Russian President Yeltsin has invited you to Moscow. What topics will you propose for discussion and what do you expect from the meeting?

[Videnov] The Russian president initiated the meeting and it is appropriate that he should propose the topics. We must not forget that Russia is a presidential republic and that my visit will also include meetings with the government, parliamentary forces, and the Russian Federation leadership. There are topics that we will raise by all means.

One of them is our demand for Russia to liberalize its foreign trade relations with Bulgaria. Second, we will categorically pose the issue of more intensive contacts with Russia regarding the transit of natural resources, mostly energy sources, to the West. As you know, Bulgaria adopted a new concept regarding its energy policy and the construction of new power supply capacities, including nuclear ones. The price of electricity in Bulgaria continues to be several times lower than in the neighboring countries. In short, I will insist on specifying the Russian position on the fact that Bulgaria can and must become an energy distributing center for broad regions in the Balkans, Europe, and the Mediterranean.

We have held many talks on military-technical cooperation. We must find the best alternative to rearm the Bulgarian Army in the 21st century.

[Correspondent] Mr. Videnov, did National Assembly Chairman Sendov blunder in Moscow in his statement on NATO? Do you think he is authorized to make such statements? After all, he is not the Bulgarian head of state.

[Videnov] Until October 1996, the head of state is Zhelyu Mitev Zhelev. This was determined by the elections that took place at the end of 1991 and the beginning of 1992. Afterwards, someone else will be president. I still cannot tell you who.

[Correspondent] When will the government adopt a categorical stance on NATO?

[Videnov] As far as the NATO issue is concerned, I do not think that anyone in or outside the country has the right to force us to submit an application for NATO membership or categorically refuse to do so. Bulgaria has the right to conduct its own national security policy based on its foreign policy concept regarding the international situation. This policy will be formed as we deem appropriate rather than through a short "yes" or "no." This is not a matter of elementary math.

[Correspondent] Neshka Robeva [coach of the national rhythmic gymnastics team and former BSP and Bulgarian Communist Party National Assembly member] has predicted that you will develop the Filip Dimitrov syndrome of infallibility.

[Videnov] Please allow me to refrain from commenting on Mrs. Neshka Robeva's unbalanced statement. I only want to disperse two delusions that she has willingly or unwillingly created: The first is that we are close acquaintances who maintain constant contact. This is not true. We talked once or twice many years ago and I do not even remember what about. Someone once delivered to me an ultimatum from her—she demanded to be the head of the Bulgarian Union for Sports and Physical Culture. The second delusion is that someone in the BSP is distributing state, party, or ideological power. This is absurd. I do not think we are facing the danger of being intoxicated by power or developing superambitions.

[Correspondent] At a closed meeting on 2 February, the cabinet adopted a decision to continue a dialogue with NATO. Minister Pirinski said that Bulgaria's position on NATO is clear. What is it?

[Videnov] It is too early to outline the basic points of this position.

Certain issues are very sensitive for Bulgaria. You know that foreign troops or weapons of mass destruction,

especially nuclear, have never been stationed on our territory for a lengthy period of time. We have never sent armed troops abroad to participate in international operations. Our military budget has never reached the high level characteristic of some members of the military-political organizations. The Bulgarian public is very sensitive about these issues.

[Correspondent] Could you please comment on the changes in the Ministry of Internal affairs? Do you think the changes will help to decrease the crime rate?

[Videnov] I am sorry, this news conference is over.

Bulgaria: Cabinet Differences Over NATO Membership

AU0702104896 Sofia STANDART NEWS
in Bulgarian 2 Feb 96 p 3

[Article by Ana Klisarska: "BSP Split Over NATO Membership Issue"]

[FBIS Translated Text] The Bulgarian Socialist Party [BSP] is splitting over the issue of Bulgaria's membership in NATO. Union of Democratic Forces [SDS] leaders said at a news conference on 1 February. BSP's hardliners are categorically against our membership in the military alliance. However, BSP's younger members support Bulgaria's membership in NATO. It appears that even in the cabinet there is no uniform attitude toward the issue.

There are avowed supporters of the Atlantic idea in the BSP, Asen Agov said. Petur Stoyanov, member of the SDS parliamentary faction, pointed out that Foreign Minister Georgi Pirinski and Nikolay Kamov, chairman of the National Assembly Commission on Foreign Policy, belong to this group. For his part, Foreign Minister Pirinski said on Wednesday [1 February] upon his return from Brussels, that he sees no reason why talks with NATO should not be resumed. He thinks that the formula of talks NATO offers to Bulgaria, is very flexible. Mr. Agov added that the prime minister is hiding the fact that last week an invitation was received at the Council of Ministers, sent by NATO Deputy General Secretary Gerhard von Moltke, which proposes resuming talks in April.

A decision has been adopted at NATO headquarters to invite the East European countries to join the alliance, but the countries willing to join NATO should respond by the end of March.

Mr. Ivan Kostov thinks that the BSP wants to protract the debate so that we will miss the deadline. The SDS leader thinks that the simultaneous visits of Georgi Pirinski to Brussels and National Assembly Chairman Nikolay Sendov to Moscow were not acciden-

tal. According to Mr. Kostov, while our foreign minister was negotiating about our membership in the European structures, Sendov was blocking his efforts at the instructions of Prime Minister Videnov. Foreign Minister Pirinski admitted that Sendov had a private talk with Videnov prior to his departure to Moscow.

Bulgaria: DPS' Dogan assesses Cabinet Performance

AU0702171996 Sofia TRUD in Bulgarian 2 Feb 96
p 9

[Interview with DPS leader Ahmed Dogan by Valeriya Veleva; place and date not given: "Videnov Revived Authoritarianism in State Leadership"]

[FBIS Translated Text] [Veleva] Mr. Dogan, could you assess the first year of Videnov's cabinet? When the cabinet was formed you predicted that it would not end its mandate.

[Dogan] From the moment of its formation, Videnov's cabinet was only ostensibly uniform from coalition and party points of view. The future prime minister had to seek and find the balance among the different trends within the Democratic Left parliamentary faction. The concessions made to the hardliners, the Alliance for Social Democracy [OSD], and the coalition partners from the Aleksandur Stamboliyski Bulgarian Agrarian National Union and Ecoglasnost suggest that this cabinet will not have a long life. From the very beginning, Videnov did not hide his ambition to implement a new philosophy and policy of a modern leftist party. He failed precisely in this sphere. First of all, the BSP strategists failed in establishing a consistent and intelligent attitude toward capital and market economy. They adopted the idea of political pragmatism, which in itself is a positive factor, but the specific implementation of the idea by the leaders contradicted the expectations and was expressed in reviving the administrative principle of rule and, consequently, the authoritarianism in ruling the country. From being a prerequisite and means of implementing the election program the political power turned into a goal in itself. There is a good chance that it will turn into the personal goal of a narrow circle of party leaders. It is precisely here that begins the self-negation of the philosophy and policy declared by the "renewed" party, which begins to mix the desirable with the existing.

[Veleva] How do you assess the activity of the prime minister? In the past you accused Filip Dimitrov [prime minister of the Union of Democratic Forces—SDS cabinet] of authoritarianism, and now you are speaking about command-administrative methods of governing.

[Dogan] I do not want to draw any analogies. Let me stress only one thing: Very soon Mr. Videnov will face a difficult problem—saving the party from "our people," and saving himself from the party and "our people."

[Veleva] How could the parliamentary majority disintegrate?

[Dogan] It will burst at the seams.... By "seams" I mean the different interests within the Democratic Left parliamentary faction, which united various subfactions. This also applies to the contradiction between the interests of capital and the party commitments related to conducting a specific social policy.

[Veleva] Do you think that SDS leader Kostov's thesis, about early elections being the most important goal of the opposition, is correct?

[Dogan] The BSP rule shows that the party still is not ready to assume responsibility for governing the country. If it wants to remain a socialist party it must really, and not only ostensibly, adopt a concept, program, and strategy in anything related to the performance of its cadres and the efforts to meet the expectations of its voters in the social sphere. Therefore, I think that the early parliamentary elections will be a solution not only for the opposition and the country's democracy, but for the BSP itself. They understand very well that they lost the initiative in their rule and have no illusions regarding the consequences of Videnov's rule for the party image and its influence over their voters. I am not a pessimist regarding the presidential elections, because the implementation of personnel or structural changes will have no significant political importance. Regardless whether such changes will be effected, the result will be the same—both the Democratic Left parliamentary faction and the BSP cabinet will turn into a lightning conductor, which will have to "absorb" the negative energy of their voters and society as a whole.

[Veleva] At a certain moment before the election, the Rights and Freedoms Movement [DPS] will find itself at a crossroad—a decision must be adopted regarding whether it should support Zhelev or the SDS candidate. What road would you select?

[Dogan] We will select the road of truth and light, i.e., the road which offers better chances of success. In the last decade, Dr. Zhelev turned into a very serious political factor and we must take this into consideration. When one is at a crossroad, he does not cross when the light is red, but waits for the green light. It is high time for the Bulgarian people to stop crossing when the light is red, because the risk exists that while they are crossing the price of bread will reach 30 leva, something that could be presented as an act in the name of a well-

prepared social program. While we ponder the issue of who the next president should be, we must not forget that we are still at the crossroad, and that the political light of the reforms is still red.

[Veleva] Do you think that the SDS and Zhelev could come together and that a uniform presidential candidate could be nominated?

[Dogan] We must find such a formula of coming together. We are doomed to come closer to each other. It takes time to accomplish positive things. I can definitely say that our voters will unreservedly support Dr. Zhelev—we have no other choice. Even if the DPS as a party decides to support another candidate, our voters will support Dr. Zhelev. The DPS' final position will most likely be formed at the DPS Third National Conference in early May.

[Veleva] The DPS is conducting a leftist policy. Why do you have no points of contact with the BSP?

[Dogan] The BSP does not own the leftist political space in our country. The time will come soon when the social democratic and liberal parties will restore the left political space. When this happens, the BSP will have to struggle for the same constituency, which also is the target of the Bulgarian Communist Party. However, time and specific conditions are needed before all this happens. As you see, there is no political and parliamentary dialogue between them. This dooms them to internal self-destruction. One must have a differentiated approach to the BSP parliamentary faction. The totally anticommunist front is no longer effective.

The BSP is facing a fundamental political problem—the problem of its political identity. The reorganization and renewal of a communist party cannot be effected according to the logic of the "revival process...."

Bulgaria: OSD Head Views BSP, Videnov Performance

AU0602131796 Sofia 24 CHASA in Bulgarian
3 Feb 96 p 5

[Interview with Dimitur Yonchev, deputy chairman of OSD in BSP, by Angelina Petrova; place and date not given: "Dimitur Yonchev: Zhelev Could Win Elections"]

[FBIS Translated Text] [Petrova] Mr. Yonchev, is it true that the Alliance for Social Democracy [OSD] has decided to support Zhelyu Zhelev in the presidential elections?

[Yonchev] This is radical speculation. Apparently some people are mixing the OSD with another political force.

[Petrova] What do you think are Zhelev's chances to win another mandate?

[Yonchev] One should not underestimate his chances. It is absolutely possible that the opposition would decide to support him. Simultaneously, it is possible that the Bulgarian Socialist Party [BSP] would hide behind a candidate who is not directly related to the BSP, and thus deliberately lose the elections.

[Petrova] Is this not a tactic that the BSP is employing to justify the failure which it knows it would suffer?

[Yonchev] No, I think that this is the BSP's historical strategy that leads toward abandoning power.

[Petrova] Do the results of the BSP's first year in power reflect somehow on the party itself?

[Yonchev] The processes of differentiation within the party have accelerated.

[Petrova] Who differentiates himself from whom?

[Yonchev] Well, the people are asking themselves whether what the government is doing now is something that the party approved prior to it. The preelection theses are being checked.

[Petrova] How does the OSD assess the cabinet's performance?

[Yonchev] We do not have a final assessment. We are among the first who reached the conclusion that we must act for breaking the isolation in which the BSP placed itself when it assumed power. Regardless of how strong a single party is, it could never resolve alone the country's major issues.

[Petrova] Is the BSP a strong or only a big party?

[Yonchev] The BSP is the organization which through its supporters bestows the political power in the country. At present it is the source of power, and therefore it has good prospects in the foreseeable future.

[Petrova] However, it appears that its rule so far disproves this thesis.

[Yonchev] A similar disappointment exists within the BSP itself. However, within the party this does not lead toward reanalyzing the party's basic values, but to a mere personification of the disappointment and to replacing one person by another.

[Petrova] Does it mean that the BSP could replace Zhan Videnov with another prime minister?

[Yonchev] This only means that the executive power's problems are not an unsurmountable obstacle for the BSP. In the worst situation, the party will seek another person and another team. However, this will not make

the party less powerful, and it will continue to be the source of political power in our society in the near future.

[Petrova] However, according to the BSP Charter, only the BSP chairman can be prime minister.

[Yonchev] The solution of this problem is not on the agenda. The government has a great arsenal of possibilities. It could make personnel changes, or correct its style. It could make certain adjustments and sacrifices to continue its rule.

[Petrova] Yes, but the BSP does not have a mechanism of correcting its leader's notions.

[Yonchev] Unfortunately, the party is not built for the democratic manner of living. It still cannot produce policy. The Supreme Council still is the kingdom of silence. The role of the single personality remains too big. Therefore, when a person like Lilov, for example, says something, everyone listens, because they expect him to resolve all problems.

[Petrova] It appears that actually nothing happens in the BSP....

[Yonchev] On the contrary, something is happening, but nothing shows. There are underground movements, streams, and tremors. The situation is not calm. The dissatisfaction with Videnov's rule is greater among the Socialists than among the non-Socialists. Personally, I am greatly disappointed by something else. It turned out that the people whom we expected most to be open to the modern world are effecting an absolutely closed corporate rule. No one knows what is happening there. The important thing is whether one belongs to our clan, our group, and our circle of friends—if I could borrow this expression from the prime minister's vocabulary.

Bulgaria: No 'Profit' From Implementing Dayton Accord

AU0802132096 Sofia DUMA in Bulgarian 5 Feb 96 p 7

[Commentary by Vasil Popov: "We Should Send at Least Something to Bosnia"]

[FBIS Translated Text] The command of the IFOR [Implementation Force] troops in Bosnia-Herzegovina responded to our proposal to participate in the operation with a pat on the shoulder. In other words, we get your drift, now stay put.

At first we thought that if we sent an engineering battalion it would repair roads and bridges and would be engaged in water supply operations. However, now they require that we take part in clearing minefields,

which is a military action. On the other hand, we could get paid for participation in the road construction and thus make a dollar or two.

Our country cannot afford to pay for the full maintenance of the engineering battalion, which will amount to \$30-50 million. It is well-known that Bulgaria's direct and indirect losses from observing the Yugoslav embargo amount to \$7-8 billion. At the same time, no one says anything about giving us anything from the \$1.5 billion that has already been donated for reconstruction works in former Yugoslavia, despite the fact that we would have worked hard for the money.

Instinctively, we recall attempts from the time of the embargo to discredit Bulgaria and to attribute various violations to us. Otherwise, the firm position of the Bulgarian state leadership regarding noninterference and refrainment from gaining any benefit from the Yugoslav conflict, was noted with polite applause. So what?

However, we must at least send a field hospital. It is both a humane gesture and an opportunity to raise the Bulgarian flag in front of the tents. The pleasure will cost us half a billion leva. Only God knows whether somebody will pay for the treatment in our field hospital, and whether the sick and wounded will indeed be treated there.

The effect of sending a field hospital could only be political. The West European countries, Turkey, Pakistan, Malaysia, the Baltic states, Russia, Ukraine, the Czech Republic, Romania, and Poland are already there, and Hungary has allowed the use of its territory for the operations. If we remain the only ones who are not there, it would appear to be an act of self-isolation.

Neither Bulgaria nor the Ministry of Defense will profit from our participation in the implementation of the Dayton agreement. The only thing we will get will be the usual pat on the shoulder from the international community. This nevertheless is something, although it involves no material gain. Profiting from the postwar reconstruction is a question of economy and trade.

Bulgaria: Zhelev, PM, BSP Leaders Discuss Kurdzhali

AU0802172196 Sofia Khorizont Radio Network in Bulgarian 1600 GMT 8 Feb 96

[FBIS Translated Text] Following today's meeting between President Zhelev and Prime Minister Videnov to discuss the situation in Kurdzhali, following the court's annulment of the municipal elections there, Prime Minister Videnov said that the government is setting itself three tasks: stabilizing local government in Kurdzhali and throughout the country; organizing and holding new

mayoral elections in Kurdzhali under normal conditions; and preventing Bulgaria from being misrepresented to the international community. Videnov said that consensus was reached with the president on these three points.

A mayor and a strong municipal government in Kurdzhali by the end of the spring—this was what Georgi Purvanov, deputy chairman of the BSP Executive Bureau, predicted following his meeting with President Zhelev today, which was also attended by Krasimir Premyanov, leader of the Democratic Left Parliamentary Group. At the meeting, President Zhelev voiced concern that the political rivalry characteristic of an election campaign might develop into ethnic strife.

Bulgaria: People's Union Backs DPS' Kurdzhali Protest

AU0802191196 Sofia Khorizont Radio Network in Bulgarian 1700 GMT 8 Feb 96

[FBIS Translated Text] Today, the parliamentary groups of the DPS [Rights and Freedoms Movement] and the People's Union held a meeting in the National Assembly, which was also attended by Ahmed Dogan and Anastasiya Mozer, leaders of the two political forces. The meeting discussed the situation following the annulment of the local elections in Kurdzhali.

According to Veselin Metodiev, deputy chairman of the Democratic Party (a member of the People's Union coalition), the People's Union will support the protest actions mounted by the DPS inside and outside parliament. At the same time, the People's Union will not make any assessments of actions taken by the judiciary until the completion of the appeal proceedings in the Supreme Court. For his part, Yunal Lyutifi [DPS deputy leader] said that the DPS may boycott some of the plenary sessions of the National Assembly for a certain period, and will present a declaration in the very near future.

Bulgaria: Security Chief Denies Kurdish Bases Exist

AU0802190996 Sofia 168 CHASA in Bulgarian 5-11 Feb 96 pp 29, 33

[Interview with Colonel Yuliy Georgiev, chief of the National Security Service, by Lidiya Lecheva; place and date not given: "There Are No Kurdish Bases in Bulgaria"]

[FBIS Translated Text] [Lecheva] Mr. Georgiev, last week at a news conference, Colonel Zhivko Zhelev, commander of the Sofia Security Service, said that in Bulgaria there are bases of the Kurdish terrorists from the Kurdish Workers' Party (PKK) and the supersecret

Greek terrorist organization "17 November." The official position so far is that there are no such bases in Bulgaria.

[Georgiev] I did not attend the news conference, but I have the transcript. Obviously, a linguistic error was involved, or in other words, a typical "lapsus lingue." As of this moment, there are no registered PKK organizations on Bulgarian territory.

I declare in the most responsible manner that the PKK is not undertaking actions related to constructing bases on Bulgarian territory for training, medical treatment, or maintenance. No unit of the Ministry of Internal Affairs has received any information or seen any evidence regarding the preparation of terrorist acts by Turkish citizens, members, supporters, or sympathizers of PKK. This is also known to our colleagues in Turkey. Recently we had a meeting on this topic.

[Lecheva] The impression was created at the news conference that the National Security Service you head keeps an eye on the Kurds and checks stories regarding their possible participation in terror acts, and that this is one of your work's priorities.

[Georgiev] For us the Kurdish issue is one of the most delicate ones. It is in our interest that this issue does not negatively influence Bulgarian-Turkish relations. Therefore we also adopt preventive measures.

I have no reason to claim that the Kurdish social and student societies registered at present in Bulgaria are terrorist organizations. If someone doubts my words he should read the Turkish newspapers CUMHURIYET and TURKIYE of 7 January 1996, which carry information regarding Kurdish political organizations throughout the world, used by the PKK for the distribution and trade with drugs. Bulgaria does not figure in this list. The information is taken from the Department on Smuggling at the Turkish General Security directorate.

If even this does not suffice, you could check even more thoroughly the Turkish press and find there the report of the U.S. Drug Enforcement Administration. It also does not list Bulgaria among the countries in which the PKK has its organizations.

[Lecheva] What actually are those Kurdish organizations in Bulgaria? Are they not a threat to our neighbors?

[Georgiev] For the time being there is no such danger. I maintain this on the basis of the information we have regarding the activity of the Kurdish organizations in Bulgaria. Most of their members share the opinion that the problems of Kurdistan can be resolved through peaceful political means. This also explains their re-

cent active efforts to establish relations with the Bulgarian citizens—public figures and journalists, politicians, and intellectuals. This prompted the establishment of the Committee on Friendship With the People of Kurdistan, the publication of the AVESTA—the newspaper of the Patriotic Union of the Kurdish Students, and the establishment of the Kurdish Information Center. They are striving to create conditions for the peaceful recognition of the National Front for the Liberation of Kurdistan. I stress again—through peaceful means.

Within the framework of our prerogatives and in cooperation with other foreign special services, including the Turkish services, we react to every signal and keep an eye on people with suspicious behavior. Perhaps this is what Colonel Zhelev meant.

[Lecheva] You did not clarify the situation the Greek organization "17 November...."

[Georgiev] I know about the Greek organization precisely as much as I know about the so-called Kashmir terrorism. Have you heard this name?

[Lecheva] No, I do not know anything about this name.

[Georgiev] So far, no special service can boast of touching "17 November." I doubt it that we could succeed in this respect. Our American and Greek colleagues assume that this organization consists of seven members, who act in deep conspiracy. So far, we have not had even indirect evidence about their presence in Bulgaria.

[Lecheva] Then why does Col. Zhelev claim that "17 November" has bases in Bulgaria?

[Georgiev] Let us believe that he did not express himself with sufficient precision.

Bulgaria: Russian Envoy Interviewed on Sendov 'Furor'

AU0902065596 Sofia 24 CHASA in Bulgarian
5 Feb 96 p 11

[Interview with Russian Ambassador Aleksandr Avdeyev by Rosen Radulov; place and date not given: "No One Can Cause Yeltsin To Quarrel With Bulgaria"]

[FBIS Translated Text] [Radulov] Mr. Ambassador, what do you think of the furor in Bulgaria concerning Mr. Sendov's statement in Moscow?

[Avdeyev] Unfortunately, not everyone wanted to properly assess last week's important events in Russian-Bulgarian relations. Some politicians pretended not to notice them, artificially centering their attention on the

unfortunate correspondent's report from Russia. Journalists can always make mistakes, and this also happens in Bulgaria.

Three important events were passed over in silence. The first and most important of these, in my view, was the telephone conversation between President Zhelev and President Yeltsin. On 29 January, Yeltsin spoke on the telephone with Clinton, and his conversation with Zhelev took place immediately afterwards, on the very same day.

The Russian and Bulgarian heads of state discussed bilateral relations in detail. President Zhelev thanked Yeltsin for the T-72 tanks and the 100 armored personnel carriers that Sofia will receive from Moscow.

The second important event was President Yeltsin's reception of academician Sendov. With this gesture, Yeltsin showed his deep personal respect for Bulgaria and the Bulgarian parliament.

I will state frankly that Yeltsin is extremely busy and hardly ever receives heads of parliaments when they visit Moscow. The fact that he received Mr. Sendov is an important event in our relations. This is the first time such an event has occurred during the 1990's.

I would like to point out that no Bulgarian politicians have noted the importance of these contacts. The mistake made by the correspondent proved more important to them than high politics.

[Radulov] What is the reason for this, in your view?

[Avdeyev] All politicians hold the copyright on their own statements and viewpoints. No one is entitled to distort them—neither a journalist from a Russian news agency nor critics inside Bulgaria. There is only one prime source, namely, the person who had the conversation with Yeltsin, who put everything in the right place and precisely reiterated the position that he defended in Moscow. I also gave him my official support. Maybe someone does not approve of the Russian-Bulgarian ties and contacts between our leaders.

[Radulov] Mr. Avdeyev, do you expect any repercussions from the scandal created about Bulgarian-Russian relations?

[Avdeyev] I would not have chosen the word "scandal." That is how you describe it. To use your term, I will tell you that scandalmongers have always existed and will continue to exist, but they have no connection with serious politics and Russian-Bulgarian relations.

I would like to emphasize one main point: No one can make Yeltsin quarrel with Bulgaria—neither with

Zhelev, nor with Sendov, nor with Videnov. Moscow is awaiting the Bulgarian prime minister's visit with respect and the most friendly of feelings.

The politicians who are trying to ignore all of this and to discredit dialogues at the summit level between our two countries are acting like those who in 1991-92 ruined Bulgarian-Russian economic relations, which shut Bulgaria out of the Russian markets. They seem to be the same handful of people who two years ago showed lack of respect to the Russian patriarch when he visited Bulgaria.

Bulgaria: Defense Plants Said To Conceal Arms Sale

*AU0802210596 Sofia 24 CHASA in Bulgarian
3 Feb 96 p 4*

[24 CHASA staff report: "Arsenal and Dunarit Hatched Fictitious Arms Deal"]

[FBIS Translated Text] A fictitious sale of special products by Arsenal AD in Kazanluk and the Dunarit military plant near Ruse formed a cover for an illegal deal involving three companies. The 24 CHASA editorial office has discovered this from audit documents that it has received.

A source in the Ruse Prosecutor's Office explained that the affair was discovered as a result of an investigation that lasted one year. The police investigators established that in 1994 military products were exported to Serbia despite the arms embargo. Several private Bulgarian companies were involved in the deal, one of which, a company registered in Sofia, is headed by a Serb. A well-known businessman from Petrich is also said to have been involved. In 1994 a foreign company was discovered to have transferred \$160,700 to Dunarit, which then transferred the amount to Arsenal. The goods purchased with this money were taken from Arsenal to the Dunarit warehouses located near the town of Dve Mogili, where they were transhipped and then exported abroad.

From the registration number of the truck involved, the police discovered the route and the end recipient. According to the Ruse Prosecutor's Office, the receipt of the products was not recorded by Dunarit. The Ruse firm acted as middlemen, but received no commission. According to Arsenal invoices dated 23 December 1993, Dunarit purchased special products worth about \$8.5

million. However, a third party effected the payment. This was a falsely documented sale by Arsenal to cover illegal sales to other companies and persons. The Ruse Prosecutor's Office is waiting to receive an audit report, while the State Financial Control Department refused to comment on the case. The inspection was concluded, but objections by Dunarit then had to be considered. A

deficiency certificate is to be issued, following which the prosecution service is supposed to say whether a crime has been committed. People with long memories will recall that at the beginning of the audit there was a break-in at Dunarit's head offices, but it was not established whether any documents were missing.

Slovakia: Schenk Views Career, Foreign Policy Issues

AU0902065896 Bratislava LITERARNY TYZDENNIK in Slovak 1 Feb 96 No 6, pp 1, 10

[Interview with Slovak Foreign Minister Juraj Schenk by Drahoslav Machala; place and date not given: "Elevating the Possibilities to Reality"]

[FBIS Translated Text] [Machala] Mr. Minister, you have joined your life with a scientific discipline that is multilayered and, at the same time, exciting and revealing in what it explores. You have merited several worthwhile achievements in this discipline, and recently you obtained a professorship. How has sociology assisted you in your position, in your post as Slovak foreign minister?

[Schenk] I recall that, at the time my nomination was made public, certain questions were raised in connection with my profession.... But experience from the year in which I have been in this post has revealed, to my great delight, that there are several sociologists—as the case may be, political scientists or university lecturers and scientists—among my colleagues in diplomacy. For example, the current NATO secretary general, Javier Solana, was originally a professor of physics. They have taken a similar step and have made headway in state functions. Such connections are viewed extremely positively throughout the world. I have seen for myself more than once that sociological qualifications and knowledge of other scientific disciplines give an individual a certain background and enable him to ascertain and analyze phenomena. Scientific and sociological training as well as personal abilities enable a person to considerably speed up his assessments and analyses. This is a significant advantage in many stressful situations. Life, everyday activities, and events are moving at such a dizzying pace that there is virtually no major opportunity for a person to study them. Then, I can often rely on what I used to be immediately involved with as a teacher and a scientist. To be more specific, I can rely on the theory of social systems that I devoted myself to, but also on the theory of self-organizing processes and the building of models. All of this has turned out to be extremely useful: After all, the entire process of creating and establishing the Slovak Republic as well as the process of Europe's unification—that is, the process of forming higher integrative groupings—is an example of a self-organizing process. It is the same with the expansion of CEFTA [Central European Free Trade Association].

True, it is always easier and simpler to write a theoretical work than it is to then copromote it in practice

because each enactment has a whole series of other aspects.

I am pleased to have met with several politicians who have an affinity to sociology and political science or who were themselves sociologists. Thus, I could mention former Portuguese Foreign Minister Luis Baros. I also have fond memories of a recent professional discussion with Mrs. Madeleine Albright, who is a political scientist. On the basis of their specialist scientific interests, politicians then know how to also humanly understand one another. At once, it is apparent that they have a very similar outlook, even a similar interpretation of issues that is not burdened by elementary everyday details. They often come to the forefront among career diplomats or journalists. Thus, a partner is able to understand better, the experience from a conversation is considerably more profound, more penetrating, and the information is also considerably more valuable.

On the other hand, I also have different personal experience. U.S. Secretary of State Warren Christopher is a traditional career diplomat, but he seeks directly the opportunity to meet with the heads of diplomatic services who have a completely different background. My first meeting with him was, from this point of view, also symptomatic. We sat down and Mr. Christopher said: "I know that you are a professor of sociology. From this position, how do you view NATO enlargement?" I had the opportunity to explain to him frankly my opinion on this issue, to characterize it from the point of view of the theory of self-organizing systems. I know that he was very taken by this. Our conversation then took on a completely different form. Of course, we also went through all of the points that the experts had prepared for us, but the conversation already had a different dimension. In fact, all of our other meetings follow up on this conversation, which also underscored our human relationship.

Sociology, however, accords me a whole range of information that can be utilized quite practically—for example, in the strategy of diplomacy and during negotiations. And there is yet another level here. It is the specific mission that sociology bears as a social and humanitarian science. After all, sociology is not an instrument of any kind of manipulation or even of some sort of social engineering. It has a highly moral aspect—namely, that it should never be applied in an interest other than the interest of people and society.

[Machala] As I listen to this deposition, I have the immediate feeling that the spirit of your teacher, Associate Professor Alexander Hirner, is also present here in your study, and I also feel a certain continuity here. And, at the same time, I also perceive clearly your orientation

as a professional sociologist, which was also influenced significantly by Prof. Hirner....

[Schenk] I return very often and gladly, especially these days, to Hirner's maxim in which a serious moral message is encoded. For he himself was very well known for his humanistic approach, which, however, should not remain merely on the level of contemplation, meditation, or pure theoretical analysis. On the contrary, it should be of service to ordinary human life. Alexander Hirner said: "It is necessary to judge the present, even though it is difficult, according to its possibilities, and it is necessary to elevate the possibilities to reality by means of the resources of the present." This is an axiom that resonates within me almost every day. It is, however, also a principle that I am trying to implement in foreign policy.

My current scientific orientation was also in fact formed through Prof. Hirner. I imbibed his ideas as a young student at the Comenius University Philosophical Faculty [FF UK]. I also oriented myself toward methodology through such individuals as Paul Felix Lazarsfeld and Raymond Boudon. Lazarsfeld was a Viennese who fled the Germans to New York. This scientist was the authority who formulated classical methodology. He cooperated with Raymond Boudon, whom I always wanted to meet. I have also succeeded in this: I visited him in Paris in 1990 and 1994. He gave a series of lectures here in Bratislava in 1995. I consider him, besides Prof. Hirner, to be a little like my second sociological father. I found out from him that the Portuguese Luis Baros was also his pupil. You see how small Europe is.... My link to French sociology is very strong also through Alain Touraine. He also lectured in our country in 1990. Such personal contacts with top scientists have, incidentally, acquired another dimension that is also useful in practical policy. The aforementioned men are representatives of the outstanding intellectual strata, and the French, for example, view my position in the post of foreign minister with rapport and also attach an important social status to it.

I obtained a professorship for my work on self-organizing social systems, which is in fact a theoretical and methodological reflection of certain theories on how systems evolve and how they change their structure and the regimes of their functioning. This is an extremely topical issue because the theory of self-organization talks about the qualitative changes in systems, about how, when it simply breaks down, the old structure recedes and something completely new evolves.

Physics, under whose influence what is now called synergy was gradually formulated, has introduced an

enormous impulse into this. I became acquainted with this more closely through another major figure in Slovak science, Professor Julius Krempasky, who was also, incidentally, the external examiner for my work. I defended my professorship in 1993 and was appointed the following year.

[Machala] The post of foreign minister of the Slovak Republic—that is, of a completely new, democratic, and free country—is, by and large, certainly also something new and intriguing. What has this post given you personally and professionally, and what has it simply taken from you?

[Schenk] It was never my idea or ambition to enter into the political arena. But the time came when I had to decide. It was not easy. In each case, it was—and is—a personal challenge for an individual to confront his abilities with what he claims he can do and to what extent he knows how to realize his ideas to the general benefit. I accepted this challenge—and I emphasize this—as a person who was not involved in politics or even associated immediately with a political party or movement. This very post provides an opportunity to act somewhat above the level of particular party interests in the spirit of the government's program and of all of the young Slovak Republic's documents and objectives. Foreign policy is the arch that should integrate the forces of both the coalition and the opposition so that fundamental state and national interests can be realized. Apart from this, the factor of a certain responsibility also played a substantial role in my decisionmaking. Life on occasion places each individual in certain, shall we say, extreme situations, when he has to make a decision and take on all of the risks that proceed from it.

At the time I received the offer to enter politics in such a high-profile post, I had the feeling (and it lingers to this day) that the time had come when the process of the destruction of Slovak society had reached such a threatening level that it was necessary to constitute a government of responsibility for the fate of the country. Therefore, I would like to state openly that the dominant line of my year in office, from the point of view of my own self-reflection, is a feeling of often almost heavy responsibility for every word I say and every step I take in my post. That is, I make joint decisions in situations that give rise to longer-term processes and have a significant influence on future development. When I took up this post, I was definitely not attracted by notions of a high income, personal prestige, and so on. By the way, life's experiences so far have not let me down even in this case; so, I cannot complain about any shattered illusions. I have to admit that I am very sympathetic to the view of the well-known Slovak sociologist Anton Stefanek, who was also a minister,

Apparently he said: "A professor for life and a minister for a term." I view my current position as a certain form of short-term work attachment, after which I will be glad to return to my science and my teaching commitments.

On the whole, my attitude toward my homeland definitely helped me in making this decision. Explaining one's attitude toward one's homeland is something like when a man has to say why he loves his wife. Each such declaration may just be an imprecise expression of what a person feels and of the depth of what he feels. That is, in normal human relations, a declaration is the bearer of many intimate meanings that are specified by common survival, and, therefore, it is difficult to communicate them. The attitude toward one's homeland and nation is, for me, one of the basic values. There are values that cannot be explained rationally; they can only be acknowledged.

Slovakia is the country in which I was born, in which I live, of which I am a citizen, and, naturally, I want to serve it. It is a country that has chosen the path of independent democratic development. And this path is close to my heart as it is to every intellectual, educated person. Apart from this, Slovakia is also heading toward a clear-cut self-expanding European objective, which is, in turn, exciting. I want to take part in fulfilling this objective.

And what has this post taken away from me? It has taken my time and also my elementary personal life. But this is a price I knew I would pay. My circle of friends has also become decidedly narrower. Admittedly, one does hanker after all sorts of different things, but the aforementioned self-expanding objective is now the most essential thing, and it is necessary to subordinate everything to it. Within the framework of my basic mental health, I have maintained contact with my profession. I lecture at the faculty for two hours a week, and I make performance reports; I want to prepare all of my diplomats and those aspiring to be diplomats. The only thing I have time left for is an hour of swimming in the morning. In this case, it really is a self-preservation mechanism.

[Machala] In the past, Slovakia had several outstanding men who were embellishments of diplomacy. They wielded their talents within the framework of the Czechoslovak Republic. I do not see this as a disadvantage.... Nevertheless, Stefanik, Stefan Osusky, Vladimir Clementis, and Juraj Papanek have remained in the shadow of the Czech diplomats.

[Schenk] I think their considerable contribution to the coffers of the establishment of the Czech-Slovak state has remained hidden. I agree that our Slovak state,

which is still just getting itself established, has to uncover all of the layers of knowledge about these men.

After all, the activities of Milan Rastislav Stefanik during World War I and his important diplomatic and military missions in Italy, France, Russia, and especially the United States—indeed all over the world—made a remarkable contribution. Take Stefan Osusky, who was even more hidden under the residue of Benes's antipathy and who, during the establishment of the United Nations, put a terrific amount of energy into this effort. Later, we have Juraj Papanek, who did a singular job in the United Nations. And of no less significance is the performance of Dr. Vladimir Clementis shortly before the war, then in London, in the post of state secretary and also foreign minister of the Czechoslovak Republic and in the United Nations. With the establishment of a free democratic Slovak state, these historical figures are being revealed to us altogether anew. It is necessary to study them again and to preserve every important impulse of their remarkable intellect, statesmanlike foresight, and art of sensitive diplomacy. But this is already the creation of a new, democratic Slovak tradition. I myself had maybe the strongest link to Stefanik, with whom I became familiar in my childhood because my uncle was a pilot and held Stefanik in high regard. The Stefanik tradition was very much alive in the family. Even more for the family of my wife, who grew up in Brezova pod Bradlom. And three of the four aforementioned men—Stefanik, Osusky, and Papanek—appertain to Brezova. Moreover, my father-in-law was among those who in the 1960's actively advocated the renewal of Bradlo and, despite the intentions of those in power at the time, helped to keep the Stefanik tradition alive.

If, in connection with Vladimir Clementis, you were to allude to my pipe, it is not some kind of contemporary stylization intended to be a part of my image. I have been smoking a pipe for 23 years simply because I like it.

[Machala] I think it is unnecessary to emphasize that the Slovak Republic has a euro-atlantic orientation, that economically, politically, and militarily it is heading toward Western structures. Our neighbors—the Czech Republic, Poland, Ukraine, Austria, and Hungary—interest me more. Are you convinced that the diplomacy and the politicians of the aforementioned states have grown used to the fact that Slovakia is conducting its own foreign policy? Have you observed this in your meetings with their heads of diplomacy?

[Schenk] It is very hard to globalize. The approach of each of the aforementioned countries to us is specific. I am convinced that the existence of the Slovak Republic

has been really accepted not only by these, our immediate neighbors, but also in a broader context. It is true that a certain nostalgia and stereotypes still persist. But this is slowly receding into the past. There is a new shift here: These countries are beginning to perceive us as a serious and equal partner. The situation has even arisen here that, for certain countries (Lithuania, Ukraine), Slovakia is starting to fulfill a consultative function. These countries are looking for inspiration, how we succeeded in coping with the transformation processes.

The Czech Republic is also slowly becoming used to the fact that it has a partner in us that, naturally, defends its nation-state interests. Attempts at a patronizing approach are still noticeable on their side from time to time.... In negotiations, however, each side is already striving to promote its own interests. We know very well that there are correct circles in the Czech Republic with regard to us, but there are still people in politics who cannot come to terms with the existence of the Slovak Republic. It is hard to conceal such a fact. I have conveyed our reservations to the Czech side on more than one occasion about the so-called Slovak card being played too often, especially in the mass media.

Slovakia will not opt for such reciprocal methods. On the whole, Slovak-Czech cooperation works well in dealing with economic issues and the customs union and with demarcating the border. It is more problematic in areas that have a stronger emotional-symbolic charge, which has been the case with the Bojnice Altar, Slovak gold, and resolving the issues of the former Federation. These problems have a certain emotional involvement, and they can be used propagandistically.

Relations with Poland have improved considerably because this relationship was, until recently, also one of haughty superiority. Poland has always played an important role in European history. In recent years, we have not made major declarations but have taken pragmatic steps—for example, in the issue of a traffic solution in the north-south direction—that are of benefit to the two countries. I do not want to bypass even the inspiration to Slovak science from the Polish sociological school of Professor Piotr Sztompek and also of Professor Włodzimierz Winczawsky from Torun, who spent a year at the FF UK in Bratislava. He also deserves recognition for his spontaneous interest in Slovak sociology. He has written a book on Anton Stefanek (*People, Nation, State*). I am pleased that the discovery of Slovakia is proceeding in mutual respect and that it is becoming more profound.

Austria's attitude toward the Slovak Republic is, in general, proper and correct, but a certain hesitancy is manifest in it. This is a consequence of Austria's

domestic problems and also of the strong pressure with regard to Mochovce. On the other hand, there are almost 1,300 Slovak-Austrian joint enterprises here, and the Austrians are the second-biggest investors in our country. Contacts with Ukraine are developing gradually, their intensity and mutual trust are increasing.

Then there is our relationship with the Hungarian Republic. It is necessary to proceed from the premise that the current status of the two countries on the international scene is different. Slovakia had just been established and already there was a relatively great deal of mistrust surrounding it, mistrust sown by journalists in particular. Despite this, several conspicuous successes have been achieved: Gabčíkovo, the peaceful breakup of the Federation, and, finally, the signing of the Slovak-Hungarian treaty in March 1995. All of these things are striking examples of our ability to implement our sovereignty to mutual benefit and on the basis of partnership.

It is necessary to mention here that, in 1989, Hungary began from a better starting position; after all, it was one of the most courted countries in Central Europe and had broad international support. On the other hand, the economico-political development of our southern neighbors is now in a grave crisis. This factor is causing the Hungarian side to step up its activities on the international arena, especially with regard to pressure on the issue of minorities. It is apparent, however, that our neighbors have given an excessive dose of this pressure, and today its repetition or augmentation is already counterproductive. Namely, Europe cannot accept a further shift in minority issues. It has historical experience of the fact that this is a source of instability.

It is often argued that a typical trait of Slovak diplomacy is its concessionary attitude with regard to Hungary. The Slovak side, in promoting its basic strategic aims, has made absolutely no concessions in anything. We have promoted Gabčíkovo, and the further resolution of this important project is on the way in harmony with the Slovak Republic's views. We have signed a Slovak-Hungarian basic treaty that, for the first time, guarantees the existing borders and their unchangeability and inviolability. This means that the other side cannot—now or in the future—raise any territorial claims. At the same time, it guarantees that members of the minorities are citizens of the Slovak Republic and that the obligations of the citizens of the Slovak Republic relate to them. We have no problems with recognizing individual rights; we are not going against any European standard. We do not resort to empty propagandistic gestures. We are interested in results; therefore, we are guided by reason and are concerned with the effectiveness of our conduct. We want to look to the

future and to proceed as an equal partner with regard to Hungary. Although our southern neighbors are having an emotionally harder time in coming to terms with the fact that we are—and will only be—in the position of equal partners, this partnership has to be respected in practical life. In this context, the example of other countries that have become reconciled historically is often cited. Our situation is apparently similar to that of the reconciliation between the Germans and the French or the Israelis and the Palestinians, who were involved in an equal share of mutual military conflicts. But this association between the Slovaks and the Hungarians is clearly asymmetrical. We have nothing to reconcile with the Hungarians. If anything, we have to come to terms historically with them first. Therefore, I am talking about a historical settlement, not about reconciliation. This is a different dimension, respectively, a subsequent step that has a moral character. The signed treaty creates the basic prerequisite for this: It constitutes and codifies a relationship based on partnership in which two sovereign states respect one another.

Slovakia: Hungarian Denies Intention To 'Incite Unrest'

AU0902070596 Bratislava SME in Slovak 7 Feb 96
p 2

[Report by "Isz": "Istvan Bajnok: Freedom of Speech Is Sacred to Me"]

[FBIS Translated Text] Komarno—"I am very glad that the Slovak National Party [SNS] is so well informed about Hungarian media, but I do not feel guilty. I honor the freedom of speech," Istvan Bajnok, deputy chairman of Csemadok [ethnic Hungarian cultural organization], said in reply to a question from SME regarding the SNS's proposal to initiate criminal proceedings against him in conjunction with his comments in the Hungarian weekly MAGYAR FORUM. According to SNS representatives, Istvan Bajnok is supposed to have said there: "...they will harass the Hungarian community of the Rye Island [area along the Danube in southern Slovakia] until, one day, the Hungarians will raise their scythes and will drive the partisans from the mountains [reference to Slovaks] back to where they came from." The Csemadok deputy chairman is of the opinion that, as a psychiatrist in civilian life, it is his right to formulate his fears, which originate from the experience of life on Rye Island. "It is necessary to point out that they [presumably Slovak officials] simply incite us by their disinformation and that people in the region where I live are really afraid," Istvan Bajnok told us. He stressed that, if the SNS representatives read the article carefully, they would see that, in context with his other statements, the purport of the incriminated words was to express fear of a possi-

ble unpleasant development and not to incite unrest or conflicts.

Slovakia: Meciar Claim of Unsafe Bank Deposits Refuted

AU0902071396

[FBIS Report] Bratislava SME in Slovak on 7 February reports on statements issued by the National Bank of Slovakia [NBS] and Magda Pospisilova, Prime Minister Meciar's spokeswoman, on 6 February, which set right Prime Minister Meciar's claims in a 5 February Slovak Radio interview that "protection of citizens' financial deposits in Slovak banks, even in those in which the state still holds the dominant stake, does not exist at present" and that, "if any of these banks collapsed, all savings deposited with them would be forfeited."

On pages 1 and 2, Bratislava SME in Slovak carries a 400-word report by "bog" entitled "According to the NBS, Citizens' Deposits Are Not Endangered." The report states that, in an interview for SME, NBS spokesman Jan Onda declared that Article 44 of the Law on Banks, which guarantees the protection of citizens' deposits in the VUB [General Credit Bank], IRB [Investment and Development Bank], and Slovenska Sporitelna [Slovak Savings Bank], is still in force and will remain in force until a law on the protection of deposits is passed. Onda added that "the NBS deals regularly with the situation in commercial banks and can responsibly declare that no negative changes concerning the banks' liquidity or a threat to citizens' deposits have occurred." According to Onda, NBS Governor Vladimir Masar and Finance Minister Sergej Kozlik have "preliminarily agreed" that the draft of a law on the protection of deposits would be submitted to the government's Legislative Council in approximately two weeks. He reiterates, however, that, despite the absence of a separate law on the protection of bank deposits, "there have not been any problems with the bank deposits of physical persons since the founding of the independent Slovak Republic."

On the same day, on page 2, Bratislava SME in Slovak carries a 500-word report by "sp. jam" on the 6 February Cabinet meeting entitled "According to Magda Pospisilova, Article Guaranteeing the Protection of Deposits Is at the Very Least Ambiguous." The report includes the following passage: "The prime minister's statement is related to the need to solve in legislative terms the insurance of deposits and the protection of depositors. The prime minister was referring to the slow pace of the legislative solution to this issue. The deputy prime minister and minister of finance, together with the NBS governor, will submit to the Legislative Council within two weeks a draft law on

the insurance of deposits,' Magda Pospisilova, the prime minister's spokeswoman, told a news conference after yesterday's Cabinet meeting in connection with the prime minister's statement on 5 February that protection of citizens' financial deposits in Slovak banks does not exist. According to Magda Pospisilova's words, Vladimir Meciar's statement 'is absolutely unrelated to the actual state of affairs in banks, which NBS Governor Vladimir Masar considers to be stable.' Asked whether citizens' deposits are insured by the state at present, Magda Pospisilova replied that this is a question of interpretation of Article 44 of Law No. 21/1991 and its amendment No. 121/1992, which is, at the very least, ambiguous."

Meciar's comments on the alleged absence of the protection of bank deposits are also the subject of a 400-word commentary by Robert Kotian entitled "On Alarming Reports" in Bratislava SME in Slovak on 7 February on page 4. The commentator quotes Article 199 of the Penal Code, under which he who "seriously disturbs at least a part of the population of some locality by spreading an alarming report that is not true" can be fined or sentenced to up to one year of imprisonment. He suggests that Meciar's claims in the 5 February Slovak Radio interview about bank deposits not being protected meet the criteria of this offense and wonders "for whom the prime minister is spreading the alarming report, if we know that deposits in the largest banks are guaranteed by the state" and "why the prime minister, even though he knows this, says something else."

Slovakia: Opposition Warns Against Bank Privatization

AU0902071596

[FBIS Report] Slovak newspapers from 31 January to 7 February continue to publish reactions by leading opposition politicians to Prime Minister Meciar's announcement that the four largest Slovak financial institutions—VUB [General Credit Bank], IRB [Investment and Development Bank], Slovenska Sporitelna [Slovak Savings Bank], and Slovenska Poistovna [Slovak Insurance Company]—would be privatized by "mid-February at the latest." The opposition politicians warn that, as a result of the planned privatization model, a narrow group of people wielding political influence will seize control of the entire economy, which will endanger democracy and lead to the emergence of the "Latin American model" in Slovakia.

Bratislava NARODNA OBRODA in Slovak on 31 January on page 1, under the headline "Privatization of Banks—Yes, but Only After Their Restructuring," carries a 400-word report by Zita Sujova on an undated interview with Democratic Union [DU] Deputy Chairman

Ludovit Cernak. Cernak is quoted as saying: "What the government coalition is preparing within the framework of privatization of financial institutions through specific legal entities, such as East Slovak Ironworks [VSZ], Slovnaft, or Duslo Sala, spells the danger of Slovakia being ruled by a group of perhaps 20 persons. It would mean the strengthening of positions of Messrs. Rezes [minister of transportation and telecommunications and former VSZ vice president], Lach [director general of Chemosvit and chairman of Slovak Employers Association], Kollar [director general of Duslo Sala], and Hatina [CEO of Slovnaft refinery], who would in reality seize control of Slovakia." Cernak stresses that he and DU support the privatization of banks, "but this must be an economic privatization and not a political one." As he points out, "The privatization of banks is being decided by the so-called politburo, composed of the chairmen of coalition parties. At the same time, it is generally known that the Slovak National Party's support for the ratification of the Slovak-Hungarian treaty hinges not on the meeting of the declared conditions but on the privatization of Slovenska Poistovna and Slovenska Sportitelna."

Cernak believes that, before being privatized, financial institutions ought to be "restructured, restored to health, and demonopolized," a process he estimates will take "three to five years." Cernak also opposes the privatization of banks by Slovakia's largest industrial companies because "it is absolutely illogical for debtors to privatize their creditor." He therefore recommends that an amendment to the law on strategically important companies be passed that would exclude the four aforementioned financial institutions from privatization. "This law will otherwise be pointless because he who has banks in his hands has the entire economy in his hands," Cernak is quoted as saying.

Bratislava SME in Slovak on 31 January on page 11 carries a 1,000-word interview with DU Deputy Viliam Vaskovic, former chairman of the National Property Fund, by Alena Gottweisova entitled "Unprepared Privatization of Banks Is Risky." Vaskovic qualifies Meciar's plan to privatize the four main financial institutions by 15 February as "pure adventurism" and a "risky step that could have enormous negative repercussions for the functioning of the economy." Vaskovic believes that the privatization of banks must be preceded by "at least three" steps—the law on the insurance of deposits, the restructuring of banks, coupled with a solution to their bad loans, and the banks' demonopolization. He warns that "the privatization of banks in favor of circles that are linked to some political force is the worst possible model because political viewpoints would be considered when extending credits." In Vaskovic's opinion, both foreign capital and "certain domestic strata"

should be involved in the privatization of banks. He does not object to bank employees "obtaining a part of bank shares" but warns against bank managers holding the majority stake: "In the banking sector, it would be a tragedy if managers became the owners of the majority package of shares because incompetent managers would then be impossible to replace." Asked about the government coalition's intention to have banks privatized by "consortia of industrial companies," Vaskovic says: "If smaller proportions of shares of 10 percent or so were involved, I would not object. However, if a consortium were to acquire a bigger package and seized control of a bank, it would be the worst alternative because a situation would come about in which they would be lending money to themselves. Had there been competition in our banking sector, this would not be so dangerous. But, in the present situation, the danger exists of a narrow group of the big industry lobby taking over the largest banking institutions and, through them, seizing control of 90 percent of the state's industry. This is a foolproof path toward economic ruin. The last step would then be the interlinking of these circles to political structures, and we will have here a perfect example of the Latin American model."

Bratislava NARODNA OBRODA in Slovak on 2 February on pages 1 and 3 carries a 1,000-word report by Eduard Zitnansky on an undated interview with Brigita Schmognerova, deputy chairwoman of the Party of the Democratic Left (SDL) entitled "B. Schmognerova: There Exists No Rational Reason To Expedite the Privatization of Financial Institutions." According to Schmognerova, the "lightning" privatization of the banking sector announced by the prime minister poses the threat of combination of economic and political power, "which is a threat to democracy as well as to the economy."

In her opinion, changes in the proprietary relations in the banking sector should be spread over a longer period of time and be preceded by the "restoration of the banks' financial soundness." This process will take "at least three years" and will require participation by the state in the form of "certain relief," the SDL deputy chairwoman says.

Schmognerova also warns that the planned privatization model will not strengthen the banks' capital base: "All three banks that are to be privatized need capital. It is evident that the privatization being prepared will not bring the banks any capital. It is equally obvious that this method of privatization will not improve the banks' liquidity, either. Quite the contrary, it is probable that resources the banks could otherwise extend to the entrepreneurial sphere will be used for privatization

credits. Paradoxically, the banks will be extending credits for their own privatization."

Schmognerova views as "dangerous" the plan to make major Slovak industrial companies co-owners of the country's key banks. She fears that the owners will be "forcing" the banks to extend further "high-risk credits" to them and that other companies—that is, those that will not own any shares in the banks—will be at a disadvantage regarding access to credits. Schmognerova also argues that the planned privatization method will not improve the banks' services: "New owners should bring improvements, new services, and new approaches. If domestic entrepreneurs really become the banks' news owners, it will be impossible to expect any changes for the better. They will lack both the financial and human resources to enrich the market," she says.

In conclusion, Schmognerova warns against the danger of "uncontrollable influx of foreign capital" in the wake of the quick privatization of Slovak financial institutions. She says: "I do not think any barriers should be placed in the way of foreign capital, but, after privatization, the state will no longer have any influence. The danger is that, when evaluating offers, the new owners will consider only their own personal interests, which need not be identical with the interests of their clients or the market as a whole. They can simply sell the bank or a part of it, and their sole consideration will be to cover their obligations—that is, to settle their debts—and to satisfy their own ideas. They need not take any interest in the origin or in the intentions of this foreign capital."

Bratislava SME in Slovak on 3 February on page 4 carries a 700-word commentary by Ivan Miklos, deputy chairman of the Democratic Party and a former minister of privatization, entitled "Self-Financed Privatization." The commentary is said to have been reprinted from the 2 February issue of the weekly DOMINO EFEKT. According to Miklos, "all circumstances suggest" that the privatizers of financial institutions will be "selected on Tomasikova Street" (Movement for a Democratic Slovakia headquarters) and that interested foreign buyers will be excluded from the privatization process. He also believes that "the model of the so-called 'self-financed privatization' will be applied." As Miklos explains, self-financed privatization means that the new owners will pay for their shares in financial institutions in installments, which will be lower than the dividends yielded by those shares. It would therefore be "more appropriate to call this elegant method of privatization donation and not sale," Miklos says. He continues:

"The risks of this method of privatization are manifold. On the political plane, it is, above all, the threat of

plutocracy (concentration of state power in the hands of the wealthiest). The classical model of plutocracy arises in such a way that a narrow group acquires political and state power through the influence of their wealth. In Slovakia, evidently, the sequence of steps would be reversed but with the same, if not a worse, outcome: On the basis of their political influence, a narrow group of people will acquire wealth by misusing privatization and, through this wealth, will reinforce its political influence even more."

The other risks of "self-financed privatization," Miklos continues, are economic. Because the new owners lack capital and expertise, he says, "prerequisites for the restoration of the banks' financial soundness will not be created, and the new owners, in an endeavor to earn as much as they can in the shortest possible time, will bring these institutions into a situation that will be even worse than their present condition."

Bratislava SME in Slovak on 7 February on page 11 carries a 300-word CTK report entitled "B. Schmognerova:

Privatization of Slovak Banks Is Hazardous." The report states, among other things: "SDL Deputy Chairwoman Brigita Schmognerova yesterday described the privatization of banks by mid-February, announced by the prime minister, as hazardous. She said that the preparation for privatization requires three to four years of work on restructuring the banks' credit portfolio. At the same time, the necessary legislation—concerning the protection of deposits, for example, the insurance business, and the like—is not in place yet. According to Brigita Schmognerova, the present method of privatization and the planned privatization of banks closely interlink not only financial and industrial capital but also political power. This could endanger democracy in Slovakia. The trade unions would stay relatively weak, social inequalities would dramatically increase, the democratic methods of reducing social differences would be limited, and the government parties would have better conditions for participation in the elections, Brigita Schmognerova believes."

Hungary: Workers' Party Leader Views MSZP, NATO*AU0602181696 Budapest MAGYAR NEMZET in Hungarian 3 Feb 96 p 7*

[Interview with Workers' Party Chairman Gyula Thurmer by Katalin Torok; place and date not given: "Our Story Has Not Ended—Thurmer on the Stolen Burial, a Greeting Card, and on Who Is Left Wing"]

[FBIS Translated Excerpt] [Passage omitted] [Torok] What do you expect from the Hungarian Socialist Party's [MSZP] March congress?

[Thurmer] Nothing. Everything will remain the same. Of course, there will be minor refinements and changes but the essence would only change if they reexamined their economic policy or gave up the coalition, or perhaps came to a different stance in major foreign policy issues. But this will not happen. It is possible that one or two new people will be appointed who are said to be left-wing, or perhaps the "young Turks" will be given some scope.

[Torok] Is the Workers' Party not bothered by the fact that it takes strangely similar positions on several issues to that of the extreme right?

[Thurmer] No, we are not bothered by this because these are only formal similarities. The point simply is that we notice the same issues as they do. I am much more irritated by the fact that the Hungarian Democratic Forum or Jozsef Torgyan [chairman of the Independent Smallholders Party] are trying to "sell" things we have in our program. The civic parties also have such demands as providing housing or jobs for young people. In addition to this, I can, unfortunately, see a deliberate effort simply to force the category of extreme on certain issues: For example, anyone who opposes NATO can only be extreme.

[Torok] Why is your party so vehemently opposed to our NATO membership?

[Thurmer] For two basic reasons. First of all, it costs a lot of money. According to our calculations, it would mean an annual 2 to 3 billion extra expenditure for eight to 10 years. NATO would not embrace us because it needs the Hungarian army; rather, it needs the Hungarian theater of war. This would cost much: the construction of military airfields and of infrastructure. Our other problem is that Hungary has already given up some of its national sovereignty by allowing the stationing of foreign troops here; the CIA will soon have the same amount of information on us as the KGB did at the time. [passage omitted]

[Torok] What did you propose instead of NATO?

[Thurmer] Hungary should think about the fact that we cannot always sell our products in West Europe even in optimal circumstances, and the Russian market is very important for us. This requires a balanced political atmosphere and, in my view, we should remain neutral.

[Torok] Is there a realistic chance for this?

[Thurmer] We do not need to offer ourselves to one of the sides from the outset, and the repartition of the world has not actually been completed. [passage omitted]

[Torok] Without trying to offend you, I am asking: What is the perspective of being chairman of the Workers' Party after 40 years of socialism in Hungary?

[Thurmer] This means a kind of determination and a great deal of left-wing commitment. Today, it does not happen anymore that our members are spat on and remarked on, as in 1989-90. We should not think in terms of the categories of the past. In the future, we would like to deal with general national issues which are independent of class—for example, the issue of environmental protection, which cannot be solved in the framework of Hungarian colonial capitalism. It is difficult for us to get into parliament on our own but it is also difficult for many others....

[Torok] Whom do you mean?

[Thurmer] For example, Kopolyi's social democrats, the Greens, the civic organizations. Why could we not form an election coalition with them? We will not accept that six parties should rule the Hungarian parliament for centuries. We trust that people will rid themselves of their prejudices. Examples do exist in history of communists getting into power—think about the Spanish, Polish, or Finnish arrangement. Therefore, I believe that our story has not yet ended.

Hungary: FIDESZ's Orban on Opposition Future, Tasks*AU0602132396 Budapest MAGYAR HIRLAP in Hungarian 3 Feb 96 p 8*

[Interview with Viktor Orban, chairman of the Federation of Young Democrats, by Dezso Pinter; place and date not given: "The Gap Between Us Is Deep"]

[FBIS Translated Excerpt] [Passage omitted] [Pinter] What changes have taken place in the society's support for opposition parties since the last elections held in 1994?

[Orban] I am convinced that this support has increased considerably. Politics has its own particular way of measuring time. For example, parliamentary opposition in the autumn of 1991 was not as strong as it is today.

[Pinter] This seems to be a courageous statement. How do you justify this?

[Orban] I justify this by the fact that this government lost the people's confidence much more quickly than the previous government. However, we will lose this advantageous position for the opposition if we are late in creating a cooperation that is capable of governing. The later we form the alliance, the less time remains for us to direct the voters' attention to an opposition coalition capable of governing and to accelerate the current increase in confidence. It is not unknown in politics that small parties want to become quite big parties. Then time slowly goes on, and realities calm these parties down. No opposition alliance can emerge as long as unfounded hopes continue to persist. [passage omitted]

[Pinter] Are they right, those who claim that not only the plan of a civic alliance failed to materialize but the FIDESZ [Federation of Young Democrats] distanced itself more from the Christian Democratic People's Party [KDNP] and the Hungarian Democratic Forum [MDF]?

[Orban] This is wrong. The recent attitude of the FIDESZ was received favorably by the other two parties. We gave a moderate answer to the decision of the KDNP's National Board, a decision that disappointed us, and the new KDNP leadership appreciated this. The MDF ship is battling high waves, but no serious harm was done to the FIDESZ by the MDF even in this uncertain situation. No matter what the outcome of the struggle will be, the FIDESZ must have contacts with the prevailing MDF leaders. [passage omitted]

[Pinter] Have you considered the possibility of seeking other allies?

[Orban] I have already made certain decisions and I think that I already selected my viewpoints for finding my way in politics. Neither I nor the party I am leading have anything to do in the current government coalition; nor are we seeking any cooperation possibility separately with the Hungarian Socialist Party or the Alliance of Free Democrats. Although painfully, the Hungarian political palette broke into two in the right place after May 1994. Everyone got into his proper place, and there are chances for the emergence of a strong center right and a strong center left. The past six years proved that the currently valid six-party system is not suitable for turning Hungary's fate in the right direction. We need the rotation and rivalry of a parliamentary bloc made up of two big power groups having a constant internal structure. In opposing the present government coalition, our place is on the side of a bourgeois Hungary. Despite all their problems and

mistakes, the center-right Christian democratic, national liberal, and conservative parties are already suitable for creating the spiritual bases of a bourgeois Hungary. [passage omitted]

[Pinter] Is it true that some decisive FIDESZ figures tried to initiate talks with the leaders of the Independent Smallholders' Party behind the scenes?

[Orban] This is not true, but cooperation between representatives of these two parties is generally good in the local government bodies. [passage omitted]

Hungary: Editorial on Torgyan's Societal Responsibility

AU0602181996 Budapest NEPSZABADSAG
in Hungarian 6 Feb 96 p 3

[Editorial by Gabot Miklos: "The List Leader"]

[FBIS Translated Text] If elections were held now, Jozsef Torgyan [chairman of the Independent Smallholders Party, FKGP] would be asked to form the government. According to the latest poll of the Szonda Ipsos company, some 27 percent of those who definitely chose a party would vote for the Smallholders. Hungarian electors would now vote for the opposition, while they know very well that they will only get a chance to do it in 1998.

The voting groups were rearranged in the spring of 1995. This was the period of the big struggle dealing with the Bokros package, when economic restrictions, price increases, and dismantling the welfare system turned many Socialist and Free Democrat supporters away. This debate shook Hungarian society and the political commitments and value systems. Since then, the government coalition which is said to be left-wing has pursued a conservative economic policy while its opposition has been vehemently defending the socialist achievements and attacking the regime of ruthless exploitation that wrongs the nation. It would be a simplification to describe this turn of events as the victory of demagoguery. Those who do this undervalue the political wisdom of Hungarians.

We can only guess the reasons the questioned people expressed their intentions this way. I do not think that the nationalistic slogans of the Smallholders and the other opposition parties captivated the electors. The voters are unlikely to choose the FKGP's unified economic and political program package. They do not yet know it. They are obviously curious about it, but they are deprived of this knowledge either by the secretive party or the antagonistic media. This way, the FKGP managed to achieve that no one could debate its program. It is not the party's leading personalities,

either, which advanced the FKGP. Torgyan has never been higher than the middle of the popularity list, and the party's other leading experts are still waiting in hiding places for the favorable moment. With much talent, Chairman Torgyan sensed what people even in the most remote corners wanted to hear.

The voters are punishing the other political parties. This drives especially the government parties into a corner but also affects the opposition. It is a punishment that they would choose political gaudiness instead of reform rhetoric, and they appear to approve withdrawing into castles in the air instead of "marching toward Europe." A society whose security of existence has been shaken is giving this punishment. However, Torgyan knows that the lean years can even come to an end and the privatization incomes, the desperate reforms, a world market boom, and peace in the Balkans can improve the country's and society's situation. He has great responsibility. He either continues the tawdry contest in rhetoric in which he is unbeatable, or he takes up manners and debating style befitting the country's now most popular party. He might lose some supporters in the domain that is alien to him, but he would reduce the current hopelessness of politics. The signal has to be taken seriously.

Hungary: Differing Coalition Views on Vetting Assessed

AU0702210496 Budapest MAGYAR HIRLAP
in Hungarian 7 Feb 96 p 7

[Editorial by Karoly Lencses: "Late Attempt"]

[FBIS Translated Text] There was no surprise: In his parliamentary statement, the interior minister did not distance himself from his own proposal, and he was very moderate about indicating his doubts in connection with the amendment of the agent law. Therefore, we only know from the press that Gabor Kuncze had submitted a different draft to the government. Although he refrained

from public statements on this issue and even denied that the published statements had been coordinated with him, Kuncze nevertheless indicated on which points he wanted a decision from parliament. These include the range of positions and organizations to be vetted, and the implementation of the right to self-determination as regards information.

The reason for the differences of views between the coalition partners is clear because, while the vetting and the publication of the former state security service's documents mean a late compensation for those who were persecuted, it is an unpleasant obligation for the Socialists. The plain publication of the party state's practices can still be extremely inconvenient for some politicians of the Hungarian Socialist Party. Presumably this is the reason they would limit the freedom of research and the right to self-determination with information, rather than the intention to protect the interests of the functioning secret services.

However, the most important lesson of the debate, which was started on 6 February on the vetting of people in certain important positions, was that it again became obvious that the failure of the previous parliament cannot be made good. The agent issue could only have been solved with a broad consensus immediately after the change of the regime but the Antall government did not use this opportunity—for still much debated reasons.

Therefore, it was in vain for Kuncze to say that he would solely leave the fate of the proposal to parliament's wise consideration. There is little hope for a debate on the merit of the issue because the opposition—perhaps remembering its delaying tactics when in government position—is suspecting political mischief, and the Socialists are perfectly satisfied with the proposal they see as theirs.

Without an agreement, the 54 percent majority could easily win.

B-H: Gen Mladic Suspends Ties With IFOR, Federation

LD0802182696 Belgrade TANJUG Domestic Service in Serbo-Croatian 1749 GMT 8 Feb 96

[FBIS Translated Excerpt] Banja Luka, 8 Feb (TANJUG) — The [Bosnian] Serb Republic Army (VRS) General Staff today decided to suspend all contacts with IFOR [Implementation Force] representatives until the release of 11 members of the VRS, imprisoned in the Sarajevo separation zone.

By the order of General Ratko Mladic, VRS commander, "all contacts between the Serb army members and representatives of the Bosnia-Herzegovina Federation" are also being suspended. Army members and citizens of the Serb Republic are banned from crossing over to the territory of the Bosnia-Herzegovina Federation.

The order, according to a statement by the information service of the VRS General Staff, was adopted "on the basis of the decision by the government of the Serb Republic of 6 February, whereby all contacts with the Bosnia-Herzegovina Federation and all crossings to the territory of the Federation are suspended due to the arrest of Gen. Djordje Djukic and 10 other VRS members."

"Participation of the VRS members at all previously agreed upon meetings of a military and civilian nature with representatives of the Federation of Bosnia-Herzegovina has been canceled," the VRS General Staff order reads. The suspension of contacts with the Croat-Muslim authorities encompasses, among other things, the exchange of POW's and delineation of borders.

The statement goes on that "military commands in cooperation with the Serb Republic Ministry of Internal Affairs will take measures to fully protect army members and Serb Republic citizens during their visits to the separation line and its vicinity." [passage omitted]

B-H: SRNA Carries Mladic Order To Suspend Contacts

LD0802214296 Belgrade SRNA in Serbo-Croatian 2020 GMT 8 Feb 96

[FBIS Translated Text] Sarajevo, 8 Feb (SRNA) — General Ratko Mladic, commander of the General Staff of the [Bosnian] Serb Republic Army (VRS), today issued an order suspending all contacts between VRS members and representatives of the Federation of Bosnia-Herzegovina and banning all Army personnel and citizens of the Serb Republic from crossing into the territory of the Croat-Muslim Federation.

This order, as a communique issued by the information service of the VRS General Staff, was issued "on

the basis of a decision passed by the Serb Republic government dated 6 February 1996, whereby all contacts with the Federation of Bosnia-Herzegovina are to be suspended, and crossing by citizens of the Serb Republic to the territory of the Federation of Bosnia-Herzegovina banned, due to the arrest of Gen. Djordje Djukic and ten other VRS members on the territory of Sarajevo."

According to Gen. Mladic's order, "participation of the VRS members at all previously agreed meetings of a military and civilian nature with representatives of the Federation of Bosnia-Herzegovina has been canceled."

The decision relates to the work of VRS representatives "within the joint military commission, regional army commissions, commissions for delineation of borders between entities, commissions for the exchange of POW's, military missions, and other bodies set up for the implementation of the peace agreement."

"Until 11 VRS members arrested in the separation zone in Sarajevo are released, the maintaining of contacts with IFOR [Implementation Force] representatives has been suspended," the order by Gen. Mladic reads.

"Military commands and institutions in cooperation with the Serb Republic Ministry of Internal Affairs will take measures to fully protect army members and Serb Republic citizens during their visits to the separation line and its vicinity," the order reads in conclusion.

B-H: UN Representative Says Arrest of Serbs Untimely

LD0802225996 Belgrade TANJUG in English 2233 GMT 8 Feb 96

["Pool" item]

[FBIS Transcribed Text] Belgrade, Feb. 8 (TANJUG) — United Nations spokeswoman in Belgrade Susan Manuel said Thursday that the arrest of eight Bosnian Serbs in Sarajevo had come at a wrong moment because the relations among the population of the former Yugoslavia had become to improve.

Manuel told a press conference that a team of experts of The Hague war crime tribunal for the former Yugoslavia had arrived in Sarajevo last week at a Muslim request and that another one was expected to arrive on Tuesday to assess the cases on the basis of documentation.

On Jan 30, Muslim forces arrested eight Bosnian Serb army officers and soldiers on the line of separation in Sarajevo. They are still held on war crimes charges.

Muslim authorities on Feb 2 informed The Hague tribunal about the arrest of three persons and on Feb. 6 about the arrest of another five, Manuel said.

Although all Bosnian sides committed themselves under the Dayton peace agreement to cooperate with the tribunal, the arrest of the Bosnian Serb officers makes a serious precedent because they were captured before charges against them were made, said the U.N. spokeswoman.

The tribunal on Wednesday decided that six cases needed investigation and asked the Muslim government to keep in custody Gen. Djordje Djukic and Col. Aleksa Krsmanovic, she said.

Although they are held by the Muslim government, they are, in fact, under international investigation, Manuel said.

She said that the arrest was adding fuel to Bosnia's already tense situation.

B-H: Bildt Warns Serbs Against Boycotting Talks

LD0902113596 Belgrade TANJUG in English
1102 GMT 9 Feb 96

[FBIS Transcribed Text] Belgrade, Feb. 9 (TANJUG) — A Bosnian Serb boycott of meetings aimed at carrying out the civilian side of the Dayton peace accords violates the treaty and could have 'consequences,' international mediator Carl Bildt said on Thursday.

Bildt, high representative to Bosnia, delivered the warning in a letter to Rajko Kasagic, Prime Minister of Bosnian Serb Republic, one of two entities in Bosnia-Herzegovina, REUTERS reported.

Kasagic had informed Bildt that he would not attend a scheduled meeting of top political leaders of warring sides in Bosnia.

Bosnian Serb Government decided on Thursday to sever all contacts with representatives of the Muslim-Croat Federation in Bosnia-Herzegovina and ban travelling of Serb representatives to the Muslim parts of Sarajevo after the Muslim Government arrested Bosnian Serb officers and soldiers on Jan. 30.

General staff of the Bosnian Serb Republic army (VRS) on Thursday decided to suspend all contacts with the Implementation Force (IFOR) in Bosnia-Herzegovina until the release of the arrested VRS officers and soldiers.

Serb officers, including Gen. Djordje Djukic and Col. Aleksa Krsmanovic were seized by Muslim police on Jan. 30 on the line of separation on the 'blue route' fully controlled by IFOR.

The officers were unarmed and had their papers in order and were on the way for a scheduled meeting with IFOR officials, and as negotiators they should have been protected from arrest under international war law.

Chief Prosecutor of The Hague war crimes tribunal Richard Goldstone confirmed six days later, on Feb. 7 the arrest of senior Serb officers and asked the Bosnian Muslim Government in Sarajevo to hold them on suspicion of war crimes on the basis of information received from the Sarajevo Muslim authorities.

Russian Defence Minister Pavel Grachev said in Belgrade on Thursday that Gen. Djukic should be freed and that he was not on a list of suspects drawn up by the U.N. war crimes tribunal in The Hague.

Gen. Djordje Djukic is a respected general, who as a security general did not take part in combat actions, and is also very ill, Grachev said.

B-H: Serbs Threaten Reciprocal Arrests of Muslims, Croats

LD0802211096 Belgrade SRNA in Serbo-Croatian
2020 GMT 8 Feb 96

[FBIS Translated Text] Sarajevo, 8 Feb (SRNA) — Marko Arsovic, minister of justice and administration in the government of the [Bosnian] Serb Republic, said today that the arrest of Serb officers and soldiers in the Sarajevo area was an act of orchestrating criminal proceedings which could put the implementation of the peace agreement in a serious crisis.

"I would like to recall that no proceedings have being launched by the Hague Tribunal against any of the people arrested by the authorities of the Bosnia-Herzegovina Federation, and that no civilized procedure in the world allows for the arrest of people who can serve only as witnesses," Arsovic stressed.

A statement from the office of the justice minister, also dispatched to SRNA, says that the authorities of the Bosnia-Herzegovina Federation "arrest the Serbs who served in the Serb Republic army whenever they can accuse them of the criminal act of serving in the enemy army and engaging in armed rebellion, or when they want to provoke suspicion that these people committed some of the crimes described by the Statute of the Hague Tribunal."

"During the war we have seen in action inflamed hatred which propelled the human mind beyond the spheres of any law or morality. But, it is truly unbearable when this kind of mentality becomes the only basis for actions undertaken on behalf of the state, such as the arrest of Serb officers and soldiers," minister Arsovic said.

He noted that such a mentality "can affect every Serb man, especially those who carried out their patriotic duty in the Serb Republic army" and he urged all citizens of the Serb Republic to avoid the territory of the Croat-Muslim federation.

Minister Arsovic urged the authorities of the Bosnia-Herzegovina Federation to immediately release the arrested citizens of the Serb Republic, and he pointed to the need to abandon the practice of orchestrating criminal proceedings and to engage in "constructive cooperation in order to implement the peace agreement."

"I am urging all relevant international players to do everything to ensure the release of the arrested people, and to immediately and effectively prevent any further similar actions by the federation's authorities. Failing this, I will be compelled to call on our prosecution bodies to act in the same way toward citizens of the Bosnia-Herzegovina Federation who cross over to our territory," Minister Arsovic's statement said in conclusion.

B-H: Serb Speaker Says Muslims Hampering Peace Accord

LD0902112096 Belgrade SRNA in Serbo-Croatian
2335 GMT 8 Feb 96

[FBIS Translated Text] Banja Luka, 8 February (SRNA) — Speaker of the People's Assembly of the [Bosnian] Serb Republic Momcilo Krajisnik said this evening that the Muslims were seriously hampering the implementation of the Dayton agreement by failing to release Serb POW's and by arresting Serb officers in zones controlled by IFOR.

Taking part in the "Open Screen" program of Bosnian Serb Radio-Television's Banja Luka studio, Krajisnik said that "the act of arresting the two officers of the Serb Republic Army in a zone controlled by IFOR is a humiliation for the entire international community, and brings its credibility into question."

"These moves by the Muslims are the consequence of their nervousness and uncontrolled behaviour after not achieving their goal, i.e. a Muslim state on the whole territory of the former Bosnia-Herzegovina," stressed the speaker of the Serb Republic parliament.

Commenting on the situation in Serb Sarajevo, Krajisnik said that there was a possibility that a political solution would be found, but that he, as someone born in Sarajevo, would never continue to live under the cloak of the Muslims, regardless of the material property that he owned.

He stressed that "all exiled Serbs from the Serb Republic and the Republic of Serb Krajina have a place to live in the Serb Republic."

Speaking about the maintaining of sanctions against the Serb Republic, the speaker of the People's Assembly of the Serb Republic said that "all conditions envisaged

under the Dayton agreement for the lifting of sanctions were fulfilled by 19 January."

"Now that agreement is being violated on the part of the great powers," Krajisnik said in conclusion.

B-H: Karadzic Amazed at IFOR Failure to Release Serbs

LD0802153896 Belgrade SRNA in Serbo-Croatian
1457 GMT 8 Feb 96

[FBIS Translated Excerpt] Banja Luka, 8 Feb (SRNA) — Radovan Karadzic, president of the Serb Republic, today said he did not understand how the Muslims were in a position to arrest high-ranking Serb officers on the so-called blue route in Sarajevo, when the war in former Bosnia-Herzegovina is over.

"We were hopeful that the Implementation Force [IFOR] would not be the same as the UN Protection Force [UNPROFOR], which used to turn a blind eye to Muslim provocations," Karadzic said after a meeting with representatives of the Serb-Ukrainian friendship society in Banja Luka.

"The Serb nation is astonished at IFOR's failure to do something for the release of the Serb officers," the Serb Republic president said. [passage omitted]

B-H: Karadzic: Main Ambition Preservation of Independence

LD0902002296 Belgrade SRNA in Serbo-Croatian
2250 GMT 8 Feb 96

[FBIS Translated Text] Prijedor, 8 Feb (SRNA) — Speaking in Prijedor [western part of the Serb Republic] this evening, Radovan Karadzic, the president of the Serb Republic, said that the main ambition of the state leadership and the [ruling] Serbian Democratic Party [for Bosnia-SDS] was the preservation of the current degree of the republic's independence, as well as the republic's unification with Serbia and Montenegro.

Speaking at the expanded session of the municipal committee of the SDS, Karadzic warned that "we must at no cost allow the degree of independence to be reduced in favor of the strengthening of central bodies of the Union of the Serb Republic and the Bosnia-Herzegovina Federation."

The president of the Serb Republic recalled that "the Serb enemies are still counting on our regional antagonisms, just as Izetbegovic thought one could get Semberija to quarrel with Posavina, Romanija with Herzegovina, and Krajina with everyone."

"During the war, individuals were looking for Fikret Abdic in our ranks, and now they are trying to find a

Serb version of Haris Silajdzic in order to integrate the Serb Republic into the Bosnia-Herzegovina Federation more easily," warned Karadzic, adding:

"They still think there will be a sufficient number of autonomists, separatists, and secessionists aiming to repossess part of the Serb Republic, and in this respect Krajina is under the biggest threat."

In this connection he recalled that Krajina shared nearly 1,000 km of border with the enemy, while the link with the Serb Republic near Brcko was very narrow, and consequently the enemy would try to get Krajina for itself.

Speaking about the upcoming intra-party elections, the president of the Serb Republic said that the "SDS must recruit the persons who have the trust of the people and who are prepared to subordinate their personal interests to those of their people."

Karadzic discussed in particular on the need for "abandoned property to be distributed to refugees by 15 March," and speaking about resolving living conditions, the president of the Serb Republic announced a law on the privatization of property.

This evening's session was also attended by Vice President Biljana Plavsic, Assembly Speaker Momcilo Krajisnik, and Prime Minister Rajko Kasagic.

B-H: Koljevic Hopes for Swift Resolution of Crisis
LD0702190196 Belgrade TANJUG Domestic Service
in Serbo-Croatian 1702 GMT 7 Feb 96

[FBIS Translated Text] Obrenovac, 7 Feb (TANJUG) — We have nothing against the Hague tribunal's office being opened in Belgrade, especially since the truth is in the interest of everyone, Nikola Koljevic, vice president of the [Bosnian] Serb Republic, told Radio Obrenovac today.

It is one thing to search for the truth and another to politicize it, he said, and went on to add that he suggested to Elizabeth Rehn, the UN secretary general's human rights rapporteur, that in the future human rights meetings should be at the level of experts.

"As a rule, every top-level meeting becomes the butt of propaganda manipulations despite the fact that no experts are involved. The search for the truth about war crimes should, therefore, be carried out at the legal and scientific level rather than the political one," Koljevic said. "We would like to know who is planning these visits and how is it that no visits by either Mrs. Rehn or the U.S. president's special adviser Gallucci, who has just toured the Banja Luka area, have yet been planned

to locations where Serbs were the victims," Koljevic said.

Speaking about the suspension of relations with the Bosnian federation following the arrest of 11 officers of the Serb Republic's army, Koljevic said that such a move had been forced, and that the Federation leadership is consciously undermining the efforts to implement the Dayton agreement. The Serb officers were arrested on a separation line controlled by the Implementation Force [IFOR], but under no provision of the Dayton agreement is the Bosnian Federation allowed to either arrest or search for alleged war criminals, he said.

"However, I hope the case will be resolved soon, of course providing IFOR and NATO want the [Dayton] agreement to be successfully implemented. By this act the Muslim side has displayed extreme political irresponsibility and frivolity, as if it is not concerned about its possible consequences," Koljevic said.

Speaking about the lifting of sanctions against the Serb Republic, Koljevic said that he has no reliable information about when they will be lifted.

"According to U.S. Ambassador Menzies, his government has yet to take a stand on this issue. For my part, I asked the ambassador if there is a single provision of the agreement with which the Serb Republic army has not complied. I was told that there is not," Koljevic said.

Asked if preparations for the forthcoming elections in Bosnia-Herzegovina have started, Koljevic said that they are under way, but should the Bosnian Federation continue to undermine the Dayton agreement, it is a big question if the elections will take place at all.

B-H: Koljevic on 'Critical Situation' of Serb Officers

LD0902123996 Belgrade TANJUG in English
1041 GMT 9 Feb 96

["Pool" item]

[FBIS Transcribed Text] Belgrade, Feb. 9 (TANJUG) — Vice-President of the Bosnian Serb Republic (RS) Nikola Koljevic has said that the arrest of two RS army officers by Moslems and escalation of Croat-Moslem clashes in Mostar have triggered the most critical situation in Bosnia since the beginning of the Dayton peace accord implementation.

The RS news agency SRNA quoted Koljevic as saying late Thursday in a programme by the local radio in Samac, a town in northern Serb Republic, that a solution to strained relations between the Serb Republic and

the Moslem-Croat Federation 'depends on the Moslem side's behaviour in the future.'

Asked what the Serb Republic had done regarding the release of Gen. Djordje Djukic and Col. Aleksa Krsmanovic who had been arrested by Moslems on January 30, Koljevic said the first steps to this end had already been taken.

Koljevic said the RS Government had cancelled all meetings with officials of the Moslem-Croat Federation, while the RS Army General Staff had frozen relations with it as well as with the Bosnia peace Implementation Force (IFOR) until the two captured officers were not released.

He said he believed IFOR and NATO would take seriously decisions to this effect.

Commenting on a media campaign against the Serb Republic re-intensified in connection with the alleged mass graves, Koljevic said war in Bosnia had begun by means of media and should therefore end in the same way.

'Moslem media are still war-oriented although agreement was reached in Paris to end the media war,' he said.

He said Serb officials had informed Elisabeth Rehn, the U.N. Human Rights Commission's special rapporteur for the former Yugoslavia, about the media campaign against the Serb Republic.

In this connection, he pointed out what he called the absence of moral credibility of The Hague-based International Criminal Tribunal for the former Yugoslavia.

He said The Hague tribunal's attempts to win credibility would fail as long as it kept quiet about war crimes committed by other parties, about Moslems' media-staged crimes against their own people that had prompted air strikes against the Serb Republic, about Moslems holding Serbs ethnic hostages as well as about over 1,500 Serbs who he said had been killed by Moslem authorities in Sarajevo.

He said, 'as long as The Hague tribunal keeps quiet about it, it will lack moral credibility not only among our people but also among respectable European and world intellectuals.'

B-H: EU Spokesman Urges Rapid Intervention in Mostar

AU0802135196 Paris AFP in English
1305 GMT 8 Feb 96

[Report by Jean Luc Porte]

[FBIS Transcribed Excerpt] Mostar, Bosnia-Herzegovina, Feb 8 (AFP) — The only way to reunite the divided city of Mostar is extremely rapid U.S. and European intervention, an EU spokesman said Thursday following Croat violence towards his boss here.

The official was speaking after a night of fear among non-Croats in west Mostar following xenophobic violence by Croats angered at a new EU map for the city which would force them to share a district with the Moslems. [passage omitted]

Koschnick's spokesman, Dragan Gasic, said the only chance now of rescuing the scheduled process of reuniting Mostar was for European countries and the United States to intervene "extremely rapidly." Koschnick has said Europe would be faced with a "new Berlin" if his plan failed.

He said the outburst Wednesday had been planned in advance.

A member of a humanitarian organisation recalled seeing schoolchildren shepherded to the scene. Interviewed on the spot, they appeared not to know why they were in front of the EU headquarters at the Ero Hotel.

Other witnesses said gangs roamed freely in front of police and extremist militiamen such as Mladen Mistic, head of a group called the Croat Veterans, harangued the mob with alleged incitement to murder.

The European Commission in Brussels said Thursday it has demanded that NATO ensure there is no repeat of Wednesday's humiliating harassment of Koschnick. [passage omitted]

As night fell Wednesday, a woman member of a humanitarian organisation said: "All our Serb and Moslem staff are terrified tonight because there is thirst for lynching out there."

The violence turned openly xenophobic as demonstrators chanted "We are going to throw all non-Christians out of the city...even people from mixed marriages will not be spared." [passage omitted]

NATO sources said it still had to be decided who had security responsibility. "We are in a grey area here," an alliance source said. "In theory security is the job of the international police force."

Koschnick told German television on Thursday that he held the mayor of the Croat part of Mostar, Brajkovic, entirely responsible for the attack.

"If the EU accepts the division of this city they will have to choose a new administrator because no German could accept that," Koschnick said.

B-H: Federation Head Refuses To Implement Mostar Ruling

AU0802172096 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1400 GMT 8 Feb 96

[Statement issued by the office of Kresimir Zubak, president of the Bosnia-Herzegovina Federation — announcer read]

[FBIS Translated Text] The president of the Bosnia-Herzegovina Federation learned about the decision of EU Mostar Administrator Hans Koschnick and its contents yesterday evening, that is, after the outbreak of demonstrations in Mostar. Following unsuccessful talks, both sides agreed that the internal administrative-territorial borders of Mostar should be established by Mr. Koschnick in the form of an arbitration, it is written in a statement by the president of the Federation, which is carried by B-H PRESS. It states further:

Any decision, in order to have the character of an arbitration, has to fall within the boundaries of certain rights and regulations rather than be an arbitrary act. Therefore, this arbitration entrusted to Koschnick should also have been based on the established rights and regulations. As the basis for the arbitration, Mr. Koschnick was bound by the Constitution of the Bosnia-Herzegovina Federation, the Mostar memorandum, and the Dayton agreement on the reanimation of the Federation in its annex on Mostar. The part of the Dayton agreement pertaining to Mostar was signed by both [Mostar] mayors — Messrs. Mijo Brajkovic and Safet Orucevic — as well as EU Mostar Administrator Hans Koschnick, Bosnia-Herzegovina Foreign Minister Muhamed Sacirbegovic, Croatian Defense Minister Gojko Susak, the German ambassador in the Contact Group, (Mr. Iffinger), and the ambassador of Spain, who was the EU chairman at the time, (Mr. Galatenas).

The aforementioned Mostar annex, as well as other parts of the Dayton agreement, were accepted by the constituent assembly of the Federation at its ninth session on 11 December 1995. Therefore, this is not merely a political document, but a binding legal act that envisages that Mostar consists of six separate municipalities that form a legal and functional unity of the town of Mostar, with the overall territory equaling Mostar's territory on 1 January 1991.

The arbitration in question by Mr. Koschnick grossly violates the aforementioned legal documents because it introduces a new, seventh municipality, that is, a district or central zone, as he explains, which is not envisaged by a single one of the aforementioned legal acts. For that reason, his decision does not represent an arbitration, but a personal and legally unfounded act. For all the above reasons, the president of the Federation of Bosnia-Herzegovina does not accept the arbitration of Mr. Koschnick and will not work on its implementation.

Regarding the reportage of the local media that German Foreign Minister Kinkel has declared his support for Koschnick's decision to the Federation president, we would like to say the following:

In the telephone conversation last night, the chief of Mr. Kinkel's office conveyed the minister's personal concern regarding the events in Mostar and, regarding this, asked the Federation president to take measures that would diffuse the tensions and protect the office of the personnel of the EU Administration in Mostar, which the president promised to do and had already undertaken. Therefore, no message of alleged support by Mr. Kinkel for Mr. Koschnick was conveyed to the president of the Federation.

On the other hand, it was pointed out to Mr. Kinkel that Mr. Koschnick, by his decision, had grossly violated the Dayton agreement, the statement by Bosnia-Herzegovina Federation President Kresimir Zubak, which is carried by B-H PRESS, states.

B-H: SDA, MBO, Republican Party Views on Mostar

AU0802181296 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1400 GMT 8 Feb 96

[Report by Jesenko Krehic — recorded]

[FBIS Translated Text] The decision of [Mostar] Administrator Hans Koschnick was expected and the Party of Democratic Action [SDA] supports it, party spokesman Ismet Grbo said at the news conference today. What followed the act of announcement of Mostar's setup was indicative, Grbo says. After the incident in Mostar, we expect that the proposed solution will be embraced. On our behalf, we appeal to the residents of Mostar to accept the proposal and that Bosnia-Herzegovina will, in this way, through the resolution of the Mostar problem, get a fresh incentive for the restoration of peace, Grbo said. He added that the world will be able to tell who favors peace and who continuation of the conflict in Bosnia-Herzegovina if Koschnick's proposal is not implemented.

In a statement for public by the Muslim Bosniak Organization [MBO] the greatest attention is devoted to the so-called happening of the people [dogadjanje naroda]. The MBO characterizes all this as primitive violence, vandalism, and a threat to the fragile peace. Yesterday's demonstrations should be a source of concern to any honest citizen, regardless of his ethnic and religious denomination, especially because the authorities in the western part of Mostar failed to take any serious measures, either legal or political, to protect the representatives of the international community and their property from destruction, the party statement says. The MBO also comments on yesterday's statement by Federation President Kresimir Zubak, deeming it weird. The MBO wonders whether Zubak espouses and implements the views of those factions within the Croatian Democratic Community [HDZ] that are systematically resisting the survival of the Federation.

Stjepan Kljucic, president of the Republican Party, also addressed the public today. As he said, he had asked of the authorities of the Republic and the Federation of Bosnia-Herzegovina, that the current situation in Mostar be resolved on the ground, as the current situation is bringing the entire Federation into question.

B-H: Zubak on Koschnick's Decision on Mostar

LD0802234196 Zagreb HTV Television
in Serbo-Croatian 2200 GMT 8 Feb 96

[Telephone interview with Kresimir Zubak, president of the Bosnia-Herzegovina Federation, by correspondent Tihomir Ladisic; from the "Picture vs Picture" program — live]

[FBIS Translated Text] [Ladisic] We have Kresimir Zubak, the president of the Bosnia-Herzegovina Federation, on a direct phone line from Sarajevo. Mr. Zubak, good evening. Can you hear us?

[Zubak] Good evening. Yes, I can hear you.

[Ladisic] I hope you have seen our two reports on the situation a day after the events in Mostar. Can you now say exactly what the Croat side's stance toward Hans Koschnick is? Has cooperation with the EU in Mostar been suspended?

[Zubak] Yes, I heard the audio of your program. The Croat side's stances have been made public. Today I issued another public statement, which is completely clear. My statement starts from the point that Mr. Koschnick — through an accord between the two nations and the most senior representatives of both nations in Bosnia-Herzegovina, and at the time the foreign ministers of Germany, the Republic of Croatia, and Bosnia-Herzegovina — agreed to arbitrate if the

two sides fail to reach an agreement on the territorial reorganization of Mostar, in line with the Dayton agreement, which was approved by the [federation's] constituent assembly at its session on 11 December.

Consequently, Mr. Koschnick was due to make a decision of arbitration that should be based on the Dayton agreement. The Dayton agreement is very clear: Mostar remains a united city in a legal and functional sense of the word, but it should be organized as a union of six municipalities. With his decision, Mr. Koschnick considerably changed that part of the Dayton agreement by introducing a new category, the so-called central zone, for which he had not received an agreement from the Croat side, or in other words, the Dayton agreement did not define this in such a way.

[Ladisic] Mr. Zubak, it seems that this is the fundamental question in the analysis of the events in Mostar: Koschnick's decision and its background. Did you see Koschnick's original proposal, which the Croat side accepted? Did that proposal contain the so-called central district, and why, where, and when was that plan changed?

[Zubak] I have just mentioned the legal shortcomings of Mr. Koschnick's decision. On the other hand, in order to solve the situation, around 15 days ago Mr. Koschnick publicized a map that envisaged a very narrow city zone where the institutions of the authorities of the federation, the canton — or rather the grand- county — and the city itself were. The Croats accepted that in order to break the deadlock that arose, because we could not fully define the territory of these six municipalities.

When Koschnick publicized this map, the Croats were clear in their stance that they accepted it in principle. On the other hand, there was a stormy reaction on the part of representatives of the Bosniak Muslim side. In fact, it was because of that decision on that map that Haris Silajdzic, the then prime minister of the Republic and the Federation of Bosnia-Herzegovina, arrived in Mostar. He made very sharp public statements, also reported by local media, and said that the decision was unacceptable for them and that unless it was changed, he would be forced to demand Mr. Koschnick's resignation.

[Ladisic] Was the plan changed in Mostar itself or elsewhere, and if so where?

[Zubak] You see, I don't know whether Mr. Koschnick's second decision — and he now claims the original one was not his, but that someone from the EU proposed such a map unrelated to Koschnick — in fact I think it was his test, he wanted to test both sides [sentence as heard]. Had both sides accepted it he

would have said he was behind the decision. However, I don't know whether in the meantime he succumbed to pressure. The fact is that he substantially changed the decision.

[Ladislav] As we have already heard, Hans Koschnick today said he will not change his decision on Mostar in any way. This, it seems, can mean either the imposing of Koschnick's decision or his departure from Mostar. Do you agree with such a view?

[Zubak] You see one thing, [words indistinct] the public may not be quite familiar with it. We agreed that Mr. Koschnick should be the mediator. To arbitrate means to make decisions on the basis of existing regulations. The existing regulations are the Constitution of the federation, the memorandum on Mostar, and the Dayton agreement concerning Mostar. He was bound by these. On the other hand, there was a possibility of him passing a decree independently on how to organize Mostar, but in this case the decree could only be valid during the EU administration, until June this year.

I don't know, in fact, whether this decision was his own decree on the organization of Mostar, or a decision of arbitration. If it is a decision of arbitration, it is unfounded and we cannot accept it. This was explained to the public.

[Ladislav] Mr. Zubak, do you have any information on whether the EU or the United States accept and support Koschnick's decision? You had talks in Sarajevo today with Robert Gallucci, the U.S. special envoy for questions of the federation.

[Zubak] You see, this is in deed the problem. I heard the recordings you had of reports by the German information media. The problem lies in the fact that neither the German parliament, nor the representatives of the international community and the United States — although I don't know to what extent — understand the essence [of it all] and reasons why the Croat side is not accepting such decision of arbitration by Mr. Koschnick. In fact, I doubt that all those from the international community, who reacted in this way, are familiar with the contents of the Dayton agreement on Mostar. If they knew that the Dayton agreement did not envisage a central zone, their comments on Koschnick's decision would probably be completely different. I had talks with Mr. Gallucci on the subject and I told him I could supply him with the original document from Dayton, which was initialled, not initialled — signed by Mr. Koschnick and both mayors [of eastern and western Mostar], Bosnian Foreign Minister Sacirbegovic, Croatian Defense Minister Susak, on behalf of the EU by Ambassador Francisco de la Pena, and Mr. Wolfgang Ischinger, a representative and ambassador of the FRG in the Contact

Group. It is a serious political document, it was ratified by the constituent assembly and as such has elements of a legal document. Mr. Koschnick could not override the Dayton agreement. I believe that, had these international players known about the true contents of the Dayton agreement, they would have possibly reacted differently to what happened in Mostar.

[Ladislav] Mr. Zubak, can you explain to us the Croat side's starting point on the issue of dividing Mostar and the organization into six municipalities? Can there be a solution that will not take into account the current division of Mostar, or in other words, will the Croat side accept a solution that will change the current — so to speak — separation line in Mostar?

[Zubak] I would first like to say a few words because our public does not know enough about what we advocated from the beginning.

We invested huge political effort into convincing Mr. Koschnick and the international community that if we want to preserve Mostar as one city, we must organize it as a city community of two or more municipalities. These talks and our persuasion — not only of the international community, but also of our political partners [Muslims] — lasted for a very long time. Many people criticized our idea and interpreted it as attempts to divide the city, which was not true.

We advocated a solution for the set-up of Mostar, which nowadays exist in countries throughout the world in local government and in the organization of big city areas. After all, we did not demand for Mostar anything that does not already exist in Sarajevo.

As for the areas and the organization of the city of Mostar in municipalities, we have said that the line that remained after military clashes is not absolute, and we can accept changes to it. In the same way, we should take as the starting point the realistic situation, as international community representatives did when they suggested the division of Bosnia-Herzegovina into two entities and the existing line of separation. So, we did not insist, and we are not insisting [on the existing separation line]. We are ready for the current line of separation to be changed. We are ready for a different division in the city of Mostar, but we also say that we cannot depart from the realistic situation.

[Ladislav] Mr. Zubak, your visit to Mostar, together with Federation Vice President Ejup Ganic, has been announced for tomorrow. What is the plan for your visit to Mostar? Will new solutions be suggested? What do you expect from the meetings in Mostar tomorrow?

[Zubak] I will first work on diffusing tension and calming down the political situation. We can then try

to find a political solution that will satisfy both sides. I know what the current situation is. I know that Koschnick finds it difficult to back down on what he has already publicized, but I think that he too should take into consideration our objections.

I am certain that the Croat people in Mostar still have enough political will and readiness to find a compromise. I believe that Croat people representatives in Mostar have enough political sensitivity, and that they will try despite everything to find a solution that will overcome the current situation.

[Ladistic] Mr. Zubak, thank you for this interview from Sarajevo.

[Zubak] Thank you.

B-H: Peace Process Going Through 'Most Serious Crisis'

LD0802190496 Belgrade TANJUG in English
1808 GMT 8 Feb 96

[By Sinisa Ljepojevic]

[FBIS Transcribed Text] London, (TANJUG) [dateline as received] — The implementation of the Dayton peace accords on Bosnia-Herzegovina is undergoing its most serious crisis, British analysts said Thursday pointing to a Croat rebellion in the divided city of Mostar and tension caused by the arrest of Bosnian Serb army officers.

British analysts have repeatedly warned that the forming of a Muslim-Croat Federation in Bosnia had not resolved the problems between the two peoples and that their growingly serious disputes [word indistinct] threat to peace in the former Yugoslav republic.

After some fighting between Croats and Muslims in March 1994, the two peoples formed a Federation under U.S. pressure but it has remained a dead letter.

Muslim-Croat disputes and several armed conflicts in 1995 were persistently concealed by the media and decision-making centres who dictate the policy on Bosnia, through bringing accusations against Bosnian Serbs instead.

The deadlines for resolving disputes in divided Mostar, agreed at the peace talks in Dayton, Ohio, in November 1995, expired a long time ago, which is a direct violation of the accords. Moreover, European Union Administrator for Mostar Hans Koschnick narrowly escaped death on Wednesday in Croat attacks.

Koschnick announced Wednesday his decision that Mostar should be divided into three Muslim and Croat municipalities and a joint [word indistinct] zone.

British reporters said that Croats fired at Koschnick but that he escaped death because he was in an armoured vehicle.

So far, the Muslim government has succeeded in concealing its disputes with Croats by provoking Bosnian Serbs through the use of media.

British analysts said that the arrest of Bosnian Serb army General Djordje Djukic and Col. Aleksa Krsmanovic by Muslims on January 30 on the line of separation in Sarajevo and their detention on charges of war crimes were part of such Muslim efforts.

Although the arrest of the two Bosnian Serb officers is in clear violation of the Dayton peace accords, it has been upheld by the tribunal for war crimes in the former Yugoslavia in The Hague and by the United Nations.

It seems that the entire operation [words indistinct] by the tribunal's Chief Prosecutor Richard Goldstone who recently visited Sarajevo.

There are so many official and unofficial 'international' mediators in Bosnia-Herzegovina that it is unclear who is entrusted with fulfilling the international community's obligations and it is unclear who is actually shaping the policy on Bosnia.

The international tribunal asked Muslim authorities on Wednesday to keep the Bosnian Serb officers in detention.

Their arrest is directly aimed against High Representative for Civilian Affairs in Bosnia Carl Bildt, who is in charge of civilian issues which include free movement and confidence-building measures.

These issues are crucial for peace in Bosnia and they should be resolved by the former Swedish premier, British analysts said.

B-H: Silajdzic Announces Plans for New Political Party

AU0802203896 Sarajevo Radio Bosnia-Herzegovina
Network in Serbo-Croatian 1800 GMT 8 Feb 96

[FBIS Translated Excerpt] Haris Silajdzic, former prime minister of the Government and Federation of Bosnia-Herzegovina, announced today that he would form a new political party. Don't ask me about any details now, you will learn about them quickly enough, Silajdzic said at a news conference organized by REUTERS in Sarajevo today.

B-H: Commentary Sees 'Games' Concerning Sarajevo

AU0802131296 *Hanau NOVA BOSNA in Serbo-Croatian 8 Feb 96 p 2*

[Commentary by Zija Dizdarevic: "Policemen"]

[FBIS Translated Text] It appears that the international police force will not immediately replace the Serb policemen in the occupied parts of Sarajevo. According to the intentions of the international envoys, "the transfer to the integral federal police force will be gradual."

Carl Bildt, high coordinator for the implementation of the civilian part of the Bosnia-Herzegovina peace agreement, is also the chief of the international police force. However, he is obviously finding this job quite a trial. He does not seem capable of recruiting some 1,700 policemen worldwide. Still that is understandable as the operation is extremely delicate and the policemen gathered from all over the place would have to do their job unarmed.

The Bosnia-Herzegovina authorities were right in raising hell. The Serb policemen are a part of the terrorist forces. The ones with clean hands have been offered to join the federal police, which should be taking control over the entire capital of Bosnia-Herzegovina in mid-March.

All in all, the games concerning Sarajevo are still afoot. President Alija Izetbegovic of the Bosnia-Herzegovina Presidency warned U.S. Secretary of State Warren Christopher about this. In this context one should also not forget the behavior of U.S. Admiral Leighton Smith, commander of the Implementation Force, who at the very start of his mission left open the possibility that he might move the agreement deadlines in the Sarajevo region. We want to believe that both Admiral Smith and Bildt simply want to do their jobs with as little risk as possible, which also implies with as little squabbling as possible with the Pale junta.

B-H: Commentary Warns: Serbs 'Not Ready To Forget' War

AU0802131696 *Sarajevo OSLOBODJENJE (Bosnian Serb) in Serbo-Croatian 1 Feb 96 p 8*

[Commentary by D. Konstantinovic: "Just Look How Much They Love Us"]

[FBIS Translated Text] It is St. John's Day [20 January] morning. The streets of [Sarajevo district] Grbavica are full of people. Some are returning from church, some are going to see their friends. Children are playing around in the streets, teasing one another, and "killing" the free time of their school holidays.

The members of the Implementation Force [IFOR] are also in the streets. They are grinning from ear to ear. They are laughing, I suppose. I do not know what their grins mean. Are they happy to be in our streets or because they can see that Serbs are not monsters but ordinary people, now crushed by the hardships of war and the decision to leave unless things change in their areas? "Better under the ground than under the Muslim rule" — no one has any dilemmas about that.

The members of IFOR are distributing free copies of THE HERALD OF PEACE to the people. One page is in Serbian, one in Croatian, and the one in the middle is in English, so you can take your pick.

They have not forgotten about the children. They are distributing chocolate to them. If they are doing that because they like children, so be it, but if they think that they can bribe the children, then they could not be more wrong. The children have told the world, the world that IFOR belongs to, what they think and what they want, and IFOR should be more alert to that than to the words of U.S. Secretary of Defense William Perry that "the absence of fighting shows that the sides are ready to forget the four years of war." Perhaps the images of the horrors of war will eventually pale in the memories of the little children, but they will not forget that their fathers and brothers are no longer alive, that they themselves bear the scars of wounds, that their friends from school are no longer there, and that their homes have been destroyed by NATO plans. Can one chocolate change that?

B-H: Tuzla Committee Not Ready To Release Serb Soldiers

AU0802144996 *Banja Luka Srpski Radio Network in Serbo-Croatian 1800 GMT 6 Feb 96*

[FBIS Translated Text] The Muslim Committee in Tuzla informed the 1st Krajina Corps that the 88 Serb soldiers registered by the ICRC [International Committee of the Red Cross] will not be released today. However, they did not provide any specific information on [word indistinct].

The Tuzla Committee accounted for this by saying that they are waiting for instructions from Sarajevo, [words indistinct] negotiations are held between state committees for the exchange of prisoners from the Bosnia-Herzegovina Federation and the Serb Republic.

The 1st Krajina Corps Committee for the Exchange of Prisoners accused the Muslim side of continuing to undermine the provisions of the Dayton Accord related to the release of all prisoners, as well as of (?preventing the complete registration) of the imprisoned Serbs.

B-H: State Commission Statement on Release of POW's

AU0802201296 *Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 8 Feb 96*

[FBIS Translated Text] At the request of the Bosnia-Herzegovina State Commission for the Exchange of Prisoners, the International Committee of the Red Cross [ICRC] will, with the goal of registering unregistered prisoners, visit all actual and potential places of detention as well as the areas to which the Serb side has not allowed access so far, it is written in a statement of the state commission.

After this action and consultations with the representatives of all sides in Bosnia-Herzegovina, a new plan of liberation will be drafted that will entail the release of all remaining prisoners, as envisaged by the Dayton accord.

Judging from the latest report that the commission forwarded to the state commission [as heard], the Serb side has not even realized the first phase of the freeing of prisoners yet. There are three prisoners in a Serb prison in Foca, one prisoner in Rogatica and Bijeljina, and two prisoners in Banja Luka. The legal Bosnia-Herzegovina authorities have adhered entirely to the plan of liberation drawn up by the Red Cross.

The state commission will not take part in any negotiations that relate to the second phase of the liberation of prisoners until the remaining seven prisoners are freed, by which the ICRC plan of liberation will be fulfilled, it is written in a statement by the Bosnia-Herzegovina State Commission for the Exchange of Prisoners.

B-H: Serb Official Sees More Flight From Sarajevo
AU0802173196 *Belgrade TELEGRAF in Serbo-Croatian 31 Jan 96 p 14*

[Interview with Maksim Stanisic, president of the executive board of Serb-held parts of Sarajevo, by Goran Maljukan; place and date not given: "Had the Government and the Leadership of the Serbian Republic Had Their Seats in Sarajevo, as the Constitution Provides, Instead of at Pale, 200,000 People Would Not Have To Leave Serb Sarajevo Now"]

[FBIS Translated Excerpt] It is not known that any politician from the Serbian Republic, from April 1992 until this day, has managed to be in the center of the Muslim part of Sarajevo, near the Presidency of Bosnia-Herzegovina, and in Belgrade, with the president of all Serbs Slobodan Milosevic, within a period of only a few days, all alone. Maksim Stanisic, the president of the executive board of Serb Sarajevo, has managed to do that! This man who was born in Sarajevo, a

lawyer by occupation, was the president of the executive board of the city before the war. Today he is one of the most engaged and most responsible people in the Serbian Republic when it comes to solving the problem of the Serb part of Sarajevo, which, according to the Dayton Agreement, will now belong to the Muslim-Croat federation, together with around 100,000 Serbs.

As 21 March approaches — "D Day," when the transfer of power in the Serb parts of Sarajevo will occur — there is more and more panic and insecurity among the population here. The Serb population of Ilidza, Hadzici, Ilijas, Vogosca, Grbavica, and Rajlovac have been moving out en masse; long columns have jammed many roads around Sarajevo. People are leaving in fear.

At the first meeting of Bildt's mixed commission for the implementation of the Dayton Agreement, the president of the executive board of Serb Sarajevo, Maksim Stanisic, found himself in the offices above the bank in the vicinity of the "Dubrovnik" cinema [central area of Sarajevo]. After the meeting, VECERNJE NOVINE from Sarajevo published a text in which it was written: "The murderer returned to the place of the crime." Soon after that first meeting, Maksim Stanisic was received by President of Serbia Slobodan Milosevic. After he returned from Belgrade, "not less and not more concerned," he had another meeting with the representatives of the federation, which also ended with "thin results," but with fewer reporters.

[Maljukan] How do you evaluate the situation in the Serb part of Sarajevo at the moment?

[Stanisic] The situation is very hard, as a result of the provisions of the Dayton agreement, which we objectively did not expect. In the worst case we expected that Sarajevo, even if it is a unified city, would have a special status, which would secure the equality of all three nations. However, this solution for Sarajevo to remain the capital of the Muslim-Croat Federation has from the very start put Sarajevo Serbs in an unequal position.

Maybe there is some free space for the solution of this problem in a different definition, of Sarajevo as the capital of the union. According to the Dayton agreement the city can be organized in such a way that no nation feels endangered in it, and to give to Serbs real, instead of verbal, guarantees of security.

[Maljukan] Could the massive moving out of Serbs from this region be called ethnic cleansing?

[Stanisic] Unless there are improvements in solving the issue of Sarajevo, we will have massive emigration of Serbs, and the biggest ethnic cleansing in this region. That has already been done to a great extent. For the

time being our people have been moving their things out and coming back in order to wait for the final solution. All these unfavorable solutions have provoked anxiety, and many believe that Sarajevo is no longer a city that belongs to Serbs, too, regardless of the fact that before the war over 200,000 Serbs lived in it, and that, after Belgrade, Sarajevo was the biggest city with Serb population.

[Maljukan] Will the deadline for the transfer of power be prolonged, which the Serb side has been insisting upon?

[Stanisic] That has been anticipated by the Dayton agreement, in case the IFOR [Implementation Force] commander decides there is need for that. The reasons can be of technical, political, or some other nature.

[Maljukan] What if we come to the situation that no optimal political solution is found until 21 March?

[Stanisic] That is a matter for the political evaluation of our leadership, to feel in time what can be done in given circumstances.

[Maljukan] Recently, in a very soldier-like way, with dogs and transporters, IFOR took over the main infrastructure objects located in the Serb part of Sarajevo: the power station in Blazuj, the gas station in Butile, and the Bacevo waterworks in Ilidza. Why did you not react?

[Stanisic] There is a real danger that someone's paramilitary forces might damage these objects, so that this activity should be viewed within the total responsibility of IFOR.

[Maljukan] Do you personally, as a pre-war inhabitant of Ilidza, expect some changes before 21 March?

[Stanisic] I would first wish to explain that there are two transitional periods. One of 45 to 90 days from the signing in Paris, in which all organs of the Serbian Republic will function, except for the army which has been withdrawn. But we are working on the political solutions for the next period, which lasts from the transfer of power until elections. In that period authorities should be reconstructed, and, according to the 1990 elections, Serbs have to take part in them.

I talked with the representatives of Carl Bildt, with the ambassadors of England and of France, and with President Milosevic in Belgrade, about the need for a strong political initiative which could change the situation and keep Serbs in Sarajevo. All these verbal assurances are not enough.

[Maljukan] At the first meeting of Bildt's commission you proposed a solution that gives hope to Serbs for survival and a future in Sarajevo?

[Stanisic] The abyss between the nations is the deepest in Sarajevo, and if we take a look at the front lines we will see that they are not unnatural, but that they more or less correspond to the concentration of the population. It is not accidental that the line between Hrasnica, a mostly Muslim part, and the Serb Ilidza is where it is. So throughout the war Serbs were on the territory mostly inhabited by Serb population, defending it in a struggle unrecorded in this region. One has only to remember the latest Muslim offensive in June of this year, when 30,000 Muslims attacked us from all sides. If, for example, on the territory of the pre-war municipality of Ilidza two municipalities were formed, Hrasnica with Butmir and Sokolovic Kolonija as mostly Muslim, and Ilidza with the present Serb parts, we would solve one problem on the local level and enable people to feel safe with their municipal court, health system, education....

[Maljukan] Another unsolved question is where, if they stay here, Sarajevo Serbs will do their military service.

[Stanisic] Is it possible to ask the Serb population to go to the army of the Federation, which is not unified? This can also be solved within the Dayton agreement, to enable individuals to choose whether or not they wish to serve in the army. According to the Dayton agreement, we will have the possibility to possess three passports — of the Union of Bosnia-Herzegovina, of the Federation and of the Serbian Republic, and it would be logical for men to serve in the army only there where they got their passports.

[Maljukan] How certain is the political improvement in solving the issue of Sarajevo?

[Stanisic] The answer of the Muslim side to our proposals on the organization of the city was that that was not a taboo, that that can be discussed, but — after the elections. That practically means that they will take over the power, unify the territory, and thus secure the majority of Muslims in all municipalities, which would prevent the Serbs from realizing their elementary rights.

[Maljukan] The issue of Sarajevo is disputable in the Muslim-Croat relations as well?

[Stanisic] When, at the first meeting of Bildt's commission, we asked that political issues be solved first, the Muslim members of the delegation of the federation said that those issues had already been solved in the Dayton Agreement and that they only had to be implemented. However, the president of the Sarajevo Croats, Ante Zelic, supported us, saying that precisely political issues were essential for the discussion and for the final solution. At the next meeting no Croat representatives appeared in the delegation of the Federation!

[Maljukan] How would you explain the fact that it was only recently that the government of the Serbian Republic had its first session in its proclaimed capital Sarajevo, in Ilidza?

[Stanisic] I think that that is illogical, and it eventually influenced certain solutions in the area of Sarajevo. Some people are probably not going to like this, but I believe that if the government and other republic organs had had their seats in the capital, as provided in the Constitution of the Serbian Republic, the attitude of the international community would probably have been different! This not only concerns their seats and their presence in the capital, but also their attitude towards all segments of life. For example, at the last session of the Assembly of the Serbian Republic, where one of the crucial things was the issue of Serb Sarajevo, a minister from the last three governments, Ljubomir Zukovic, played cards in the assembly cafeteria. I could not but ask him: "Mr. Minister, are you planning for the 15,000 pupils and students from Serb Sarajevo who should continue their education after the establishment of the Muslim-Croat Federation?"

Or another example — when Prime Minister Kasagic, in his inauguration speech presenting the program of work, said not one word on what the government intends to do about the momentarily biggest problem of the Serbian Republic, the solution of the status of Serb Sarajevo. Maybe the behavior of the government is the reason that the population of Serb Sarajevo is moving out to this extent!

There is a whole list of examples illustrating the attitude of the government of the Serbian Republic toward Serb Sarajevo. There is, for example, the attitude towards our faculties, which continued their work within Sarajevo University. Financing was directed toward other centers, and we financed the faculties with our own means, wishing to keep the young people here.

[Maljukan] Do you think that the state leadership of the Serbian Republic was not sure what to do with Sarajevo from the very beginning of the war? Was that the reason they went to Pale, where it was safer?

[Stanisic] I believe that they had a clear attitude, but the mechanism of its realization was not adequate, they were not consistent in realizing one certain concept. On the other side they did not evaluate the possibilities realistically, with regard to the international surroundings and the media campaign created around Sarajevo. In short, the city was turned into a symbol which harmed Serb interests. That was by no means an objective approach!

[Maljukan] You were recently received by President of Serbia Milosevic, which was the lead story in the news program of Serbian Radio-Television that evening.

[Stanisic] After the first meeting of Bildt's commission I was rather disappointed by the Muslims insisting, instead of crucial political issues, on some peripheral problems like electricity, water, and gas. Issues like these, which during the war, when there was most shooting, could be successfully solved at the meetings at the airport. On the other hand I was pressured by the departure of the population. It seemed to me useful to acquaint President Milosevic, as the main Serb negotiator in Dayton, with the situation in Sarajevo, and to hear his opinion about it. I asked to be received. The visit lasted about an hour, and President Milosevic agreed that something had to be done to change the political disposition of the population. He stressed the fact that Dayton was over, and that a new conference could not be organized. We talked about amnesty for all those who participated in the war, except for those who committed war crimes according to the criteria of the Hague tribunal.

[Maljukan] What about the amnesty for soldiers, participants of the war?

[Stanisic] According to Dayton, amnesty for all, except for refugees, should be enacted by the authorities of the entities. If we interpret the agreement literally, that would mean that the part of Sarajevo Serbs who, for example, fought on Mt. Majevica, could not be legally liable upon their return to the city, unlike the [Serb] inhabitants of Sarajevo who fought in the Serb part of the city, for example in Grbavica. That is a shortcoming of the Dayton Agreement. [as published]

An integral part of the propaganda of the Muslim authorities is to delay the law on amnesty, in order to make more Serbs leave Sarajevo. And the statements of certain Muslim politicians, immediately after Dayton, which gradually got more rigid or more moderate, are also a part of that propaganda. It shows that the invitation for the Serbs to stay in Sarajevo is not sincere. That propaganda was precisely measured: First they said that women and children could stay, then all those who had committed no war crimes, then "Serbs can stay, Chetniks should leave," then the division of Serbs into honest and dishonest ones.... All that objectively influences the insecurity of the people in the Serb part of Sarajevo.

[Maljukan] Does President Milosevic know what is going on in the Serb part of Sarajevo, that the population is moving out en masse, that they are moving their dead, that they are taking away the industry?

[Stanisic] He has information on what goes on here. That is my impression, based on his reactions to my words and the questions he asked me.

[Maljukan] Did you talk with President Milosevic about the a new town, Serb Sarajevo, which would allegedly be built in the vicinity of Sarajevo?

[Stanisic] We did not talk about that, but I could conclude that President Milosevic thinks of the ways to help the Serbian Republic in taking care of the refugees, including those who leave Sarajevo.

[Maljukan] Did you get the impression that President Milosevic was concerned about the Sarajevo Serbs, and did he promise you anything?

[Stanisic] I believe that he is concerned and in a way dissatisfied with the policy conducted by the Serbian Republic in solving this problem. I understood that he will have certain political initiatives, which he will direct to international factors, to make them view the problem of Sarajevo Serbs more objectively. [passage omitted]

[Maljukan] Why does our public still have no access to the integral text of the Dayton Agreement?

[Stanisic] I posed the same question to our most responsible people in Vogosca recently. Why has it not been published in the official journal or some of the state papers, like OSLOBODJENJE, JAVNOST, GLAS SRPSKI? I got no answer, but I hope that that mistake will be corrected. [passage omitted]

B-H: Western Bosnian Serbs Want Autonomy

AU0802135596 Banja Luka Srpski Radio Network in Serbo-Croatian 1800 GMT 2 Feb 96

[Report by Velimir Bozic on a meeting in Banja Luka on 2 February of western Bosnian Serb leaders from areas that are to remain within the Bosnia-Herzegovina Federation]

[FBIS Translated Text] Western Bosnian Serb leaders from municipalities that remained within the Bosnia-Herzegovina Federation after the Dayton agreement was signed met in Banja Luka today. The president of the Banja Luka municipality, Mr. Predrag Radic, attended the meeting. The possibility of the expelled Serbs returning to their former homes was discussed. Velimir Bozic prepared a report on this meeting.

[Bozic] Whether the Serbs driven out from Drvar, Grahovo, Glamoc, and eight more municipalities will return to their homes despite the fact that the centuries-old Serb towns are now within the Muslim-Croat Federation was the central question at today's meeting of the representatives of all the towns and villages in

these municipalities with members of the Association of the Krajina Serbs from Belgrade. If they do return, will they have a place to return to, and who will guarantee their personal safety and right to life? None of those present were able to answer this question, which is why, as proposed by the Steering Committee for the Return of the Expelled Serbs from Western Bosnia, which is part of the Belgrade Association, an opinion poll will be conducted among the people by 10 February that is going to show if they want to return. The future activity and tasks of the association will also be defined on the basis of these results.

The mayor of Banja Luka, Mr. Predrag Radic, said that the return of each refugee must be reciprocal.

[Begin Radic recording] For the people to return, these towns and villages need to be reconstructed. There are international institutions, but we must offer them a project. [end recording]

[Bozic] If the displaced Serbs decide to return to the western Krajina municipalities, it is possible that they will demand autonomy for this compact Serb territorial unit within the Muslim-Croat Federation, said Dr. Nikola Popovic, deputy president of the Association of the Krajina Serbs from Belgrade.

[Begin Popovic recording] If we were to achieve this autonomous province, with the help of the international community, which is conducting this whole [words indistinct], the province would have local self-management and cultural autonomy — we would simply have [words indistinct]. [end recording]

[Bozic] It was stated at the meeting that the return of the people raises demographic and social questions, as well as the human rights question and the question of the right to personal property, which were dealt with in the Dayton accord.

Some municipality presidents said they believed that in cooperation with the highest state institutions it would be easier to find the solution to this problem. It was stated that, after this first meeting and after the announced opinion poll is conducted, the cooperation will be established.

B-H: Croats To 'Transform' Herzeg-Bosna Republic

LD0802201096 Mostar Croatian Radio Herzeg-Bosnia in Serbo-Croatian 1700 GMT 8 Feb 96

[FBIS Translated Excerpt] The central committee of the Youth Organization of the Croat Democratic Union [HDZ] held a session in Mostar today. [passage omitted]

The Dayton agreement, the set-up of the Bosnia-Herzegovina Federation, the status of Mostar, and reactions to Hans Koschnick's decision, as well as the set-up of the Croat Republic of Herzeg-Bosna — these were the topics Ivan Bender talked about to representatives of the [HDZ] Youth Organization.

What is the fate of Herzeg-Bosna? This question is on the lips of all inhabitants of Herzeg-Bosna and Bosnia-Herzegovina. Ivan Bender asked himself this today. Bender recalled that Herzeg-Bosna was created at the time when it was judged that the Croats in Bosnia-Herzegovina had no other way of protecting themselves from the aggression, and that it had its continuity, but said that the transformation of Herzeg-Bosna had to be addressed in February. He added:

[Begin Bender recording] In line with the Dayton agreement, we will soon — most probably tomorrow, unless there are some changes — pass some decisions of legal nature that will spell out what will happen to our Croat Republic of Herzeg-Bosna. We will transform the republic into something that will still guarantee our survival. It will most probably be called the Croat Community [zajednica] of Herzeg-Bosna. We will say that we will transfer some institutions of civilian authority to the level of the Federation; we already have transferred some.

But since we have not set up all bodies I spoke about before — municipalities and grand counties [cantons] with Croat majority, and the common interest of these municipalities and grand counties with Croat majority is to protect Croats — we will keep at the level of the Croat Community of Herzeg-Bosna everything that we cannot transfer to these municipalities and grand counties. [end recording] [passage omitted]

B-H: Prozor Muslims Query Croat Commitment to Federation

LD0802225496 Sarajevo Radio Bosnia-Herzegovina
Network in Serbo-Croatian 2100 GMT 8 Feb 96

[FBIS Translated Excerpt] The extended [Prozor] war presidency held a session in the village of Scipe, the

center of the free territory of the Prozor Municipality, and discussed a report from the second session of the Prozor-Rama transitional municipal council. A series of decisions relevant for the everyday life of the Bosniaks from Prozor who live in the free territory of the Prozor Municipality, and in the municipalities of Jablanica, Konjic, Gornji Vakuf, and Bugojno, were discussed. Fazlo Dervisbegovic reports.

[Dervisbegovic] An official statement has been issued from the extended session of the war presidency of the Prozor Municipality. The statement stresses that the second session of the transitional municipal council of the Prozor-Rama Municipality was held after a long wait. The Federation was expected to start taking hold in the Prozor area, but everything is still the same. Nothing new has happened. Nothing is yet known to this day about 120 missing Bosniak Muslims from Prozor. Around 100 Bosniaks who stayed in Prozor under the control of the Croatian Defense Council have not yet been allowed to return to their own houses and apartments.

Justified reservations and doubts about the decisions adopted at the second session of the transitional municipal council were expressed at the extended session of the war presidency. Among other things, the appointment of the vice chairman [of the transitional municipal council] was questioned, because the Constitution of the Bosnia-Herzegovina Federation does not provide for this post. The Bosniaks' fear as to why this post has been introduced is therefore justified.

The Bosniaks from Prozor are particularly worried about the lack of concern for refugees from Prozor on the part of the republic's and the Federation's officials, as no one has ever mentioned the refugees from Prozor. [passage omitted]

Croatia: France Urges Pressure Put on Mostar Croats*LD0802142196 Paris France-Inter Radio Network in French 1400 GMT 8 Feb 96*

[FBIS Translated Excerpt] France has asked the authorities in Zagreb to put pressure on the Croatian community in Mostar to accept the mediation of the European administrator in the Bosnian town that is divided between Croats and Muslims.

The Croats yesterday rejected the arbitration of the European Union in the divided town and decided to sever relations with the representatives of the Fifteen. [passage omitted]

Croatia: Tudjman, Italy's Agnelli Discuss Mostar*LD0802153396 Zagreb Radio Croatia Network in Serbo-Croatian 1400 GMT 8 Feb 96*

[FBIS Translated Text] Croatian President Franjo Tudjman received Italian Foreign Minister Susanna Agnelli, chairperson of the EU Council of Ministers, in the presidential palace today. Anabel Lajkauf has a report:

[Lajkauf] The topic of talks between President Tudjman and Minister Agnelli was the situation in Mostar in the wake of yesterday's decision by EU Administrator Hans Koschnick.

Minister Agnelli made the following statement after the talks:

[Begin Agnelli recording in English with superimposed Serbo-Croat translation] We would like to come to an agreement acceptable to both sides—the Croats and Bosniaks. Therefore, I agreed with President Tudjman that we should examine the situation again. In line with that, Mr. Koschnick's deputy, Klaus Meciari, will come to Rome for a meeting with me and EU representatives. After that, President Tudjman will receive me again and we will then present a joint proposal for the resolution of the situation in Mostar. [end recording]

[Lajkauf] Ivo Sanader, head of the president's office said:

[Begin Sanader recording] In the course of their talks, President Tudjman and Minister Susanna Agnelli, who spoke in her capacity as chairperson of the EU Council of Ministers, examined all aspects of this decision on the basis of the Washington and Dayton agreements, and in that context it was agreed that Ambassador Meciari should visit Rome tomorrow to discuss all issues.

We have heard that the president and vice president of the Federation will go to Mostar tomorrow to discuss the problem, and that Minister Agnelli, the EU chairperson, and Croatian President Franjo Tudjman will issue not

only a joint statement, but also a joint proposal on how to resolve this situation. [end recording]

[Reporter] In conclusion, Minister Agnelli reiterated that every proposal on Mostar must be accepted by both sides and added that she has asked President Tudjman for and was given a guarantee for the safety of Mr. Koschnick and his aides.

Croatia: Opposition Party Comments on Mostar*LD0802210196 Zagreb HTV Television in Serbo-Croatian 1830 GMT 8 Feb 96*

[FBIS Translated Text] The Social-Democratic Party of Croatia, i.e. its chairman Ivica Racan, has given an interesting interpretation of the Mostar developments.

Because of everything that happened in Bosnia-Herzegovina and in Mostar it was hardly likely that an agreement between the Croats and Bosniaks would be easily reached, Racan says. Therefore, we welcomed the intention of the international community to help through its arbitration to find a solution that will satisfy interests of both sides.

We also welcomed the will that the Croats and Bosniaks in Mostar expressed to cooperate with the EU and Administrator Hans Koschnick, in pursuance of that objective, when it became clear that without any mediation from outside it was not possible to reach an agreement.

However, every solution arrived at through arbitration involves compromises that are sometimes painful. We share the concern expressed by all sides in connection with the latest developments in Mostar. We can understand people's dissatisfaction, but not the methods of expressing them, because the guilt for obstruction can thus be shifted only on the Croats. By this, the Croat side will be seen as the exclusive party to blame for the failure of the already dubious Dayton Agreement, Ivica Racan says.

Croatia: Spokesman Says Koschnick's Decision Unacceptable*LD0802194396 Zagreb Radio Croatia Network in Serbo-Croatian 1800 GMT 8 Feb 96*

[FBIS Translated Excerpt] Ivo Sanader, the head of the Office of the President of the Republic, has discussed Croatia's stand on Koschnick's arbitration and on concrete moves in this respect. Sanader was interviewed by Tihomir Vinkovic:

[Begin recording] [Vinkovic] Mr. Sanader, what is the stand of the Republic of Croatia concerning the situation in Mostar and Koschnick's arbitration.

[Sanader] Our stands are clear. We think there are very clear principles, laid down by the Dayton Agreement. The memorandum on Mostar was signed within the framework of the Dayton Agreement, i.e. three plus three municipalities. An agreement followed between the Croat and Bosniak sides with Mr. Koschnick on the establishment of a central district of administrative nature. There was a departure from this agreement, although all this had been accepted at the constituent assembly of the federation.

We think that yesterday's decision goes beyond all frameworks and agreements. Consequently, Croatia's official stand is that the decision, in the form it had been presented, cannot be accepted. [end recording] [passage omitted]

Croatia: Tudjman Envoy: New Solutions Desired for Mostar

AU0802160396 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1400 GMT 8 Feb 96

[Interview with Hidajet Biscevic, deputy Croatian foreign minister, by Nada al Issa in Zagreb on 8 February—recorded]

[FBIS Translated Text] [al Issa] Mr. Biscevic, what happened to make the Croatian side give up on its promise to respect Mr. Koschnick's arbitration although we know that Croatian representatives, Mr. Tudjman, Foreign Minister Granic, and many other officials were all saying that Croatia would respect the arbitration decision unconditionally? What happened?

[Biscevic] I do not think that anything special happened concerning the Croatian views. Croatia stated publicly from the highest level that it would respect Mr. Koschnick's arbitration in the political circumstances in which Mr. Koschnick and the EU Administration of Mostar said that [words indistinct] that the Dayton agreements, the Federation constitution, and the memorandum of understanding are respected. Mr. Koschnick deviated, so to speak, from the [words indistinct] the dissatisfaction of the Croat side in Mostar. I have to say that we cannot agree with the way in which this dissatisfaction was expressed, and that this method has been condemned by the highest bodies [words indistinct].

The fact is that Mr. Koschnick's political views [word indistinct] and he did not take into consideration the interests of the Croatian people, and it is even different in character to what Mr. Koschnick discussed with [words indistinct] in Zagreb.

[al Issa] Does this mean that there was some kind of an agreement between Mr. Koschnick and the Croatian side [words indistinct].

[Biscevic] There was a political understanding going back to when Minister Granic, Minister Kinkel, and Minister Sacirbegovic visited Mostar together [words indistinct] and when Mr. Koschnick stayed in Zagreb, the visits by Minister Susak to Mostar. There was a political understanding that the arbitration would take into account the Croatian views and proposals in the context of a consistent implementation of the Dayton agreement. Objectively [words indistinct] Dayton agreement, which everyone is referring to as the highest political and legal [word indistinct], that there is no reference to six plus one districts.

[al Issa] What exactly is it that you find objectionable? Where have the Croatian interests been violated?

[Biscevic] It was clear after years of negotiations that Dayton finally determined that the only objective and realistic solution at the moment—regardless what any of us might think about the future of Mostar within the Federation, and the overall Croat-Bosnian relations in the Federation—that at the moment the only objective and realistic solution is in the constitution of six districts within a unified city.

[al Issa] There has been a lot of condemnation from the world of the Croatian behavior. The German agencies have carried the news that Mr. Kinkel demanded that the Republic of Croatia influence the Herzegovina Croats. I have heard an agency report from the United States that Mr. Koschnick's decisions must be observed.

[Biscevic] First of all one must be precise: Croatia does not influence the behavior of a certain group of Croats in Mostar. It must be clear to everyone that Croatia has been trying to contribute to the solution in Mostar, and is still trying to contribute to the solution to the Federation. I said at the start that we here in Zagreb believe—as President Zubak mentioned yesterday, I think, in an interview—that the reactions and the way in which the Croat side's dissatisfaction was expressed was inappropriate [words indistinct], that the decision on sending Croatian policemen to Mostar will be respected, and that this will stabilize the situation. What has to be done, regardless of the pressure—as you call it—by some European country, as Croatia would have done anyway, it will continue the dialogue, the talks, and see where new solutions can be found, and see what can be done next. The constitutional procedure within the Federation has to be respected, and [words indistinct].

**Croatia: Settlement Program in Slavonia Said
Going Well**

AU0802143696 *Beli Manastir Srpski Radio Network
in Serbo-Croatian 1700 GMT 2 Feb 96*

[Report by an unidentified correspondent on 77th session of the Executive Council of the Beli Manastir municipal assembly to review the settlement and housing program in Beli Manastir on 2 February]

[FBIS Translated Text] The Executive Council of the Beli Manastir municipal assembly held its 77th session in Beli Manastir today. Members of the municipal government discussed further implementation of the settlement and housing program, the current problems in the functioning of trade flows, and the current state of the water supply system in Baranja.

[Correspondent] The first stage of the program for the settlement and housing of displaced persons from the occupied parts of the Republic of Serb Krajina on the territory of the Beli Manastir municipality is being carried out well, and new elements have been added to it.

The accommodation of displaced persons is being given complete attention in Baranja as one of the important conditions for the final realization of the main interests of the Serb people in this area.

At today's session of the Executive Council of the Beli Manastir municipal assembly, which was chaired by Vaso Zigic, it was established that there is great interest among displaced persons in coming here and establish their homes and existence in Baranja. Hence the special task of all the municipal and other services

to carry out the specific assignments as anticipated. Judging by the results achieved so far, these obligations are being carried out promptly. For instance, part of the center in Batina has already been opened. The geodetic services are present in the Baranja towns and villages every day, where they carry out highly responsible jobs, and the Town Planning Secretariat is carrying out special activity; the personnel and organization of the Secretariat will be reinforced to carry out its obligations as successfully as possible.

The settlement and housing program has full support, which is emphasized in the contacts with the authorities of several Serbian municipalities, with which our authorities have agreed upon financial aid and aid paid in kind.

The members of the municipal government did not discuss the overall program today, since it has been put into practice. They merely discussed the details with which the ethnic interest and joint desire for everything possible to be done concerning the accommodation of refugees and providing the minimum of material conditions for normal life and coexistence with the other people in Baranja are expressed.

Nine hundred and twenty-nine people, that is, 317 displaced families registered by yesterday. Of those, 93 are staying with relatives and friends, and 253 citizens of the Republic of Serb Krajina have moved into the housing facilities in the Beli Manastir municipality. The same pace is expected to continue, and the municipal government pointed out that a greater degree of cooperation and coordination between the community authorities in Baranja is necessary.

Poland: State Security Official on Poles in Peace Missions

WS0902155696 Warsaw POLSKA ZBROJNA
in Polish 7 Feb 96 pp 1-2

[Article by Andrzej Medykowski: "Zbigniew Siemiatkowski on Polish Participation in Peacekeeping Missions; A Fragment of the Road Toward NATO"]

[FBIS Translated Text] This year our troops are taking part in many peacekeeping missions organized by the international community, in particular by the UN, NATO, and the Organization on Security and Cooperation in Europe. We consider participation in each of them as very important, although the means we allocate greatly differ in the specific cases—from just a few to approximately 1,000 people. Zbigniew Siemiatkowski, under secretary of state at the Presidential Chancellery and deputy head of the National Security Office, asked whether further initiatives will be taken up on a wider scale, told POLSKA ZBROJNA:

"Poland's participation will depend on the missions the international community undertakes.

"We will take part in all possible missions because in that way we can contribute to international peace and settling local conflicts abroad. We naturally wish there will be as few conflicts as possible.

"We are aware that participation of Polish troops in missions together with NATO, the alliance we want to join, brings us closer to NATO membership. That is why we are successful and take part in NATO operations.

"Participation in peace missions organized by this community is a fragment of the road leading us toward the ultimate goal of full NATO membership."

Poland: German Expert on Prospects of EU Enlargement

WS0902132296 Warsaw RZECZPOSPOLITA
in Polish 5 Feb 96 p 12

[Article by Jędrzej Bielecki: "According to Horst Siebert, President of the Kiel World Economy Institute, We Should Not Count on Big Money From Brussels"]

[FBIS Translated Text] "No major amendments to the common agricultural policy or changes in funding structures should be expected as a result of the International EU Conference that is to be held in Turin this March," Horst Siebert, president of the Kiel World Economy Institute, told RZECZPOSPOLITA. He claims that Poland might join the EU in the year 2000 if we renounce substantial financial aid from Brussels and put off a free flow of labor for a period of 10 years.

Siebert claims that, because of the deeply rooted mentality of EU farmers and the way they have organized themselves, no cuts in state subsidies for agricultural production should be expected in the near future. Countries like Spain and Greece will also oppose the reduction of structural funds because they are their chief beneficiaries. Taxpayers in the wealthiest EU countries can hardly be expected to agree to substantial financing of the economic development of East Europe. That is why, according to the German economist, despite the big splash the conference will make in the media, there will be no significant economic effects. The only thing that may be expected is the adoption of a rule stating that farmers will continue to be subsidized on hitherto principles but their children will not. Such a scenario implies, however, that the reform of the EU budget structure will take years.

That is why Siebert believes Poland should come to terms with the fact that, for 10 years from the moment it becomes an EU member, it will not enjoy full membership rights. EU membership will, however, not only give us free access to the EU market and guarantee an unrestrained flow of capital, but will also make us independent of the unpredictable development of events in Russia.

Horst Siebert is equally skeptical of the viability of carrying out an expedient, deep reform of the German social security system, although he does consider it indispensable if only to reduce unemployment and increase the competitiveness of the German economy. He also claims he does not think the monetary union will be established in 1999 as scheduled. Even the German Government, which had so vociferously backed the project, has announced that this year it will be unable to meet Maastricht budget deficit requirements.

Poland: CEFTA Pulling Visegrad Group Closer to EU

96EP0023E Warsaw NOWA EUROPA in Polish
2 Jan 96 p 26

[Article by Hanna Tobolska, published under the rubric "Predictions 1996": "The Visegrad-Brussels Train"]

[FBIS Translated Text] This train started to move nearly five years ago, in February 1991, when Czechoslovakia, Poland, and Hungary signed, in the Hungarian city of Visegrad, a declaration of common economic goals and ways of accomplishing them.

The three countries hoped that finding a common plane for multilateral economic agreements in the region, such as "little integration," inspired by the European Communities, at a rapid, "express-train" pace would bring

them closer to the goal of their postcommunist and post-CEMA [Council for Mutual Economic Assistance] voyage, namely, to integration with Europe. Nowadays the concept of the "Visegrad Group" has faded, especially following the disintegration of Czechoslovakia and the replacement of the "Triangle" with the "Square."

On the other hand, CEFTA, or the Central European Free Trade Association, two years younger than Visegrad, yet in a sense its daughter, is gaining a much more prominent shape. Have we transferred from a passenger train to a freight train? It has its supporters. By assumption specific and ambitious, CEFTA is trying to prove that the Czech Republic, Poland, Slovakia, and Hungary are managing just fine on their own turf, in their own region. The positive effects of this cooperation, as reflected in faster liberalization of trade and the abolition of customs duties in mutual trade, are evident. Still, cooperation on the whole is less positive than might ensue from the initial declarations. This is certainly due to the uneven economic potential of the "foursome," the nearly identical structure of industry in each member country, and undoubtedly the prejudices inherited from CEMA—the already proverbial unwillingness of the Czechs and the growing restraint of the Hungarians as regards group negotiations with our future—let us hope—fellow EU members, despite the attendant encouragement of the EU countries themselves.

CEFTA was to be a kind of proving ground, grouping together countries which, even before joining the EU, had decided to come closer to the ideal by cooperating with their next-door neighbors. True enough, trade within the Visegrad Group is growing at a faster rate than between the Group and the countries outside it. True enough that the abolition of customs duties among the countries of the region has been speeded up, and agreement has even been reached on steps to bring Central Europe closer to the Common Market (the real thing), in measure with the possibilities and dreams of membership in the EU. But the volume of trade still is not satisfactory. Last year, trade with CEFTA countries accounted for only 4 percent of Polish food imports and 2 percent of Polish exports. Altogether, it accounts for no more than 5-6 percent! All the countries of the region prefer to trade with Western partners and some even (Slovakia) stress more their trade with the East. The scale of intraregional trade remains far smaller than trade of the individual CEFTA countries with the EU, which now accounts for as much as 70 percent in the case of Poland, 60 percent for Hungary, and 55 percent for the Czech Republic.

In reports, analyses, and all kinds of other studies, the "Visegrad Four" are praised for the progress made in reforming their economies. The future, too, at least the

near future, augurs further progress and a reduction in the distance separating the Visegrad countries from the EU. Yet that distance is still vast, as regards both typically economic indicators—purchasing power, per capita gross domestic product, economic structures, and the structure of employment—and the shape of legal institutions, the nature of the society, and even the awareness of modern economic rules.

Overcoming that distance will take years of work, regardless of whether we make up for these arrears as full fledged members of the EU or merely as applicants. But CEFTA will be no obstacle to us in this respect. It may also turn out that, independent of its role as a proving ground for admission to the EU, CEFTA could provide the foundation for not only closer but also broader regional cooperation in the future. That is because of the interest shown by the countries which did not meet in Visegrad and which, for the time being at least, have lesser chances for admission to the EU. Such an outcome may be a corrective factor in forecasts: CEFTA may prove more viable than our waiting in the Brussels anteroom.

Poland: National Security Office Head on U.S. Visit

WS0802131396 Warsaw RZECZPOSPOLITA
in Polish 7 Feb 96 p 8

[Interview with Jerzy Milewski, head of the Polish National Security Office, by Sylwester Walczak in New York; date not given: "To Prepare the Army for NATO"]

[FBIS Translated Text] [Walczak] What did American politicians mostly ask you about during your recent visit to Washington?

[Milewski] The Americans assured me about the invariability of the U.S. attitude toward Poland and toward the expansion of NATO. They claimed that press reports saying that the process of NATO expansion had allegedly been slowed down are false. They gave assurances that things look entirely different: The process will take place gradually, in line with a certain plan we are familiar with.

Now, as for the political crisis in Poland, the Americans expect that the Polish authorities will be able to overcome it by employing legal, democratic methods. There were suggestions that, if this happens, we will have nothing to worry about. On the contrary, a good and efficient resolution of the crisis may add more credibility to our democracy in the eyes of the Americans.

[Walczak] Did they express concern over this situation? Did they not fear, for example, that Russian agents are operating at the highest levels of authority in Poland,

which, if proved true, might impede our integration into NATO?

[Milewski] No, they did not. As far as Russia is concerned, we are facing a different problem: Russian opposition to the expansion of NATO, first of all opposition to the admission of Poland. For this reason, I kept assuring the Americans that President Kwasniewski and his people would do their best to develop our relations with Russia. This is in line particularly with the expectations of West European politicians. They often say that, by persuading Russia that NATO expansion is not aimed against it, Poland might support this process.

[Walczak] Is it really Poland that ought to try to persuade Russia? Perhaps Moscow would rather reckon with the opinion of the West.

[Milewski] I said that, although we will do our best, our possibilities are not very great. However, once we become a member state of NATO, we will stand a better chance of developing our relations with Russia on the principle of coequality.

[Walczak] When you were in Washington, did you hear any specifics regarding the date of admitting individual states to NATO or specifics regarding the sequence in which they would be admitted?

[Milewski] No dates were given, nor did I hear the names of the countries that would be the first to be incorporated into the structures of the alliance. These issues are to be decided by the NATO leadership when, from its point of view, the situation is mature enough. We expect that this fall NATO will make a decision to begin consultations, without giving the dates of admission and without specifying which states have a better chance. However, dates are likely to be discussed in 1997.

The document on the main principles of the Polish security policy, approved in 1992, specifies that our country is striving to become a member of NATO in the 1990's—that is, by the year 2000. This goal is not in jeopardy for the time being. Aside from that, admission of Poland not only involves political decisions that must be made by the heads of the NATO member states and their parliaments. It also depends on how well prepared the candidates for membership are. Poland must work on this very intensively. It would be bad if the political decision to expand NATO were finally made and NATO strategists came to the conclusion that Poland were not ready for it.

[Walczak] What can you say about Poland's preparation?

[Milewski] This work is slow, and it definitely needs to be speeded up. We still have time to do it, and I believe that, during Aleksander Kwasniewski's term of office, appropriate measures will be taken. We will have to adjust our Armed Forces to joint operations with the troops of the NATO states. This requires not only introduction of civilian control of the Armed Forces, but also adoption of a huge number of norms and standards regarding various military spheres: training, command, logistics, and so forth. This comprises a lot of areas—from the necessity to intensively teach English to Polish officers to an appropriate organization of our Armed Forces: the structures of divisions, brigades, battalions, and so forth. Restructuring is a difficult and time-intensive task.

The armies of the Warsaw Pact, which were prepared for an offensive involving large concentrations of troops, were organized differently from the Western armies. The units were heavy, with a big logistics base, because it was predicted that they would go to the West and that they would need assistance. The entire command structure was organized differently. In NATO the troops must be more flexible. No military doctrine envisions the use of mass armies. More useful are relatively small units with considerable mobility and appropriate firepower. For all these reasons we must make great efforts to reorganize the Armed Forces and not only demand a date for admission to NATO.

[Walczak] What does your work involve? Just as in the United States, do you have a half-hour meeting with the president every morning to present him with the current strategic situation, based on intelligence information?

[Milewski] Inasmuch as I was appointed to this office only two weeks ago, these practical procedures have not yet been set. Undoubtedly, the president looks upon the BBN as his only body that deals with issues of internal and external security. At this moment, we are reorganizing the office; we want to emphasize information that is different from what the president has been receiving so far. Analyses are made on the basis of information we receive from the Armed Forces, the police, and other sources.

My role is probably similar to the role Anthony Lake plays in the United States. This is because I am in touch with the president every day, and, when I was in Washington, even twice daily. Thus, I am his direct aide in the literal meaning of this word; there are no intermediaries. I fulfilled a similar function a few years ago when Lech Walesa was president; however, at that time I would not have said I was a direct aide of the president. There was always someone between us.

Of course, there is a difference between the Polish and the American systems, because in the United States the President heads the government and has considerable executive prerogatives.

[Walczak] How many people does the BBN employ?

[Milewski] It employs approximately 40 people at the moment. The staff of the office has been reduced in recent years. However, since the president has decided that it will be his only body dealing with security issues and that no other office in the President's Chancellery will handle these problems, we will most probably employ 10 more people in the BBN. For some time now, the BBN has had three departments. In the place of two departments—for Military Issues and Defense—the following departments were established: for Internal Security Issues, for Police and the Office of State Protection, and for Analysis. Since the office is small, specialists in the third department deal with more than one area: For example, one person handles the Czech Republic, Slovakia, and Hungary. Several people deal with issues related to NATO; we also have a few experts on Russia and Ukraine.

[Walczak] Membership in the Warsaw Pact determined the shape of the Polish air-defense system, which was to protect the country from the north and the west, not from the east and the south. The Navy also had a specific task to carry out: assist an invasion of the Jutland Peninsula, as a result of which we had too many landing craft. Has Poland adjusted to the new times in both of these areas yet?

[Milewski] In both areas there is still a lot to be done. First of all, it should be said that our radars are rather outdated and are unable to detect rapidly moving rockets, regardless of the direction they are coming from. As is known, modern air defense must include a radar station placed high in the air—that is, an airborne warning and control system—and for this reason we would like the territory of our country to be incorporated into the NATO air-defense system before Poland becomes a member of the alliance.

The tasks of the Polish Navy currently boil down to defending our coast and to guarding the Polish economic zone in the Baltic Sea. This fleet requires considerable modernization: For the time being, only those ships that can no longer be used are being withdrawn.

[Walczak] How do you feel about the new political situation? You come from Solidarity, but you are working for a postcommunist president. Your former superior, in turn, is ruthlessly fighting Kwasniewski, suggesting that his presidency might result in the restoration of communism in Poland.

[Milewski] For over 10 years I worked as I could in order to overthrow communism. I believe it was irrevocably defeated in 1989 and 1990. At the moment, we should build democracy, a market economy, and do our best to integrate Poland into the Western structures. Thus, I want to cooperate with Kwasniewski sincerely and I want to use all my skills in doing this. I am convinced that his goals are the same. I am interested in these tasks, not in what went on some time ago. I believe that, while evaluating the political activity of various people and groups, one should not just look at their records and roots.

Poland: President Views Presidential Tasks

LD0902130496 Warsaw Polskie Radio First Program Network in Polish 0618 GMT 9 Feb 96

[Interview with Polish President Aleksander Kwasniewski by an unidentified interviewer in the "Signals of the Day" program; in Warsaw—live]

[FBIS Translated Excerpt] [Question] It is 0718. Aleksander Kwasniewski, president of the Polish Republic, is your guest this morning. Good morning.

[Kwasniewski] Good morning to you. Good morning, ladies and gentlemen.

[Question] Mr. President, as a politician you have achieved practically everything at 41. You have become the president of the Republic, the first person in the state. The burden of power is heavy, but I think the burden of duties is even heavier.

[Kwasniewski] I think one should talk more about the duties than about the peak of a political career because it is not senior posts that matter but leaving something good for the people, for Poland, maybe even for Europe. That is how I see my presidency. This is a difficult task, but possible.

[Question] Are you happy with the solutions included in the small constitution?

[Kwasniewski] With some modifications, with some exclusions such as the limitations to the presidential veto. I am in favor of excluding the budget law from the right of veto because the president cannot assess the budget with the required competence. This is the work of the government, approved by a parliamentary majority. So, in my view, using the budget for political ends makes no sense. I think the president should have the possibility of referring a given bill to the Constitutional Tribunal, but without applying the veto. It should be one or the other. [passage omitted]

[Question] Let us talk about the government. You began your term of office by accepting the resignation

of the Jozef Oleksy government and appointing the Wlodzimierz Cimoszewicz government. Unfortunately, Poland occupies a leading place in Europe as regards changes of prime ministers and governments. In your view, is this a pathological or a healthy manifestation?

[Kwasniewski] Neither. Besides, we are not the country with the greatest number of changes of prime minister. [passage omitted] The situation I faced at the outset of my term of office was difficult. Prime Minister Oleksy's decision was worthy of respect. But this opened the issue of establishing a new government, which, I hope, will survive until the elections in 1997. [passage omitted]

[Question] One of our listeners talked about [Interior Minister] Siemiatkowski and expressed concern that he might try to hide some documents. What do you say to this?

[Kwasniewski] On the contrary, the documents must be neither hidden nor used against people at random. Also—and this is going to be an important task for Mr. Siemiatkowski—the leaks must stop. We must stop the situation in which the only secret in Poland is that there are no secrets. So, elementary order and respect for the law must prevail. [passage omitted]

[Question] Why was Mr. Konieczny sent with a mission concerning Prime Minister Oleksy?

[Kwasniewski] The whole mission was treated by the media as a secret one, but it was not. Please note that all of the proposals I put to President Walesa and his associates after winning the elections were met with refusal. I wanted to meet and ensure that the handing over of power would be carried out in a civilized fashion—the handing over of certain documents and secrets. This is common practice all over the world. The whole idea of Mr. Konieczny's mission—he was not linked to me or to us—was to lead to a meeting with representatives of the Chancellery. This did not happen, and the mission ended in failure. Of course, one of the subjects then was the hot topic of the time. The only contact between President Walesa and me then was a visit by Ministers Milczanowski and Bartoszewski concerning a very specific matter. It was not about the handing over but exclusively about the Jozef Oleksy affair.

[Question] Is the public demonstration of your friendship with Mr. Oleksy a form of support?

[Kwasniewski] Nobody has the right to be a judge, a prosecutor, or a lawyer. That is why I refrain from expressing my view on the matter until the appropriate moment. Today it is being dealt with in a legal and parliamentary way. I think that in this way we are

providing proof that we are a normal and democratic state. If you turn away from somebody with whom you shared good and bad situations when accusations are made against him, this is a disgraceful attitude.

[Question] Some people think this is a form of pressure on the prosecutor's office.

[Kwasniewski] I am a man who has been active all of my life. I have friends all over. And I am not going to turn away from friendship or acquaintance only because I have become president. [passage omitted] The president cannot cut off his contacts, but, of course, they are fewer because I have neither the time nor the opportunity.

[Question] So, you are the president of all Poles?

[Kwasniewski] Yes, I want to be the president of all Poles because this is the essence of this position.

[Question] Do you know how to do this?

[Kwasniewski] I think I can do this by efficient actions and by resolving as many problems as possible during these five years. At the same time, I would very much like all of us to take up dialogue and to end quarrels, to start talking and to stop insulting. I know that people differ in political views, but it is very important that we do not waste the chance. Let us be the community of people who are able to develop the economy, to enter European structures, and to provide employment, a better economic situation, better housing for youths. These are the goals in which there is no left or right. We have to be together.

[Interviewer] Thank you Mr. President.

Poland: New Cabinet Members Profiled

WS0802153496 Warsaw GAZETA WYBORCZA
in Polish 8 Feb 96 p 3

[Report by "JOLEM, WEST, MONTY, AD": "New Faces in the Government"]

[FBIS Translated Excerpt] We have five new ministers and a prime minister. Four are deputies. Three have already held government posts. Only one never had anything to do with politics. [passage omitted]

Labor Minister Andrzej Baczkowski

Considered to be the model of an apolitical, professional officer, an expert negotiator. Head of the Tripartite Commission (government trade unions, employers), where the major employee issues are decided. In 1992 he negotiated the "State Company Pact." At the end of 1994 and the beginning of 1995, during a hunger strike held by the health-care employees' Solidarity, he

negotiated salaries for the public sector. He paid the price of landing in hospital, from which he sneaked away to lead the talks.

"We have to talk before the conflict evolves into a strike, a hunger strike, or a demonstration in front of the Office of the Council of Ministers," he recently told GAZETA WYBORCZA. This year he came forth with an initiative of launching a training program that would teach unionists, employers, and state officers the art of negotiating.

Baczowski is liked and respected by everyone: politicians, regardless of whether they are in the opposition or in the government; unionists; reporters. He is a lawyer and an active Solidarity member since 1980, and was interned during martial law.

In 1989 he established a legal office servicing the Central-East Chapter of Solidarity. Deputy labor minister since 1991. NOWE ZYCIE GOSPODARCZE and the 500 Club whose members are representatives of the largest companies and banks nominated him the best state officer of 1995.

Justice Minister Leszek Kubicki

He is 66, a professor of criminal law. A member of the Polish United Workers Party [PZPR] until 1990, currently nonaligned. Since 1965 he has been working for the Institute of Legal Studies of the Polish Academy of Sciences. Chief editor of the PANSTWO I PRAWO monthly. Since 1990 he has been a judge in the Penal Chamber of the Supreme Court. He was a member of the Commission for the Reform of the Penal Code established by the justice minister. He is a member of the presidential Legislative Council.

Constitutional Tribunal Judge Jadwiga Skorzevska says of Kubicki: "Witty, an outstanding expert on criminal law, a respectable man."

Kazimierz Buchala, professor of criminal law at the Jagellonian University, says: "Very intelligent, has wide knowledge of the law, his chief professional interest is the area where criminal law and medicine meet, crimes committed out of negligence (for example, when someone does not get the help he needs, and certain economic crimes). He has a very sharp tongue, is a very good speaker, and presents his arguments precisely and brilliantly."

Adam Strzembosz, first president of the Supreme Court: "Extremely intelligent, a good lawyer. He does not publish many papers, but whatever appears is noteworthy. He was never considered a party hardliner; on the contrary, he was seen as a liberal, not a dogmatist. We differ in our political views, but he has never done anything

that would strike me or what I would consider inappropriate."

Education Minister Jerzy Wiatr

Head of the Sejm Commission on Constitutional Responsibility, which is interviewing the authors of martial law. Those who watch him claim he is trying to be objective. In an interview for GAZETA POMORSKA, however, he defended General Jaruzelski: "When he was introducing martial law, he said that Poland would pursue reforms, that martial law was not being introduced to destroy Poland. Has he not kept his word?"

He was against ratifying the Concordat. He has never spoken publicly about the education system. One year ago he was a candidate for defense minister.

A sociologist, employed at Warsaw University, member of the Polish Academy of Sciences. He used to work at the Military Political Academy and the Institute of Basic Problems of Marxism-Leninism at the Central Committee of the PZPR. A PZPR member from 1949 to 1990. Currently a member of the Social Democracy of the Polish Republic [SdRP] and a deputy of the Democratic Left Alliance [SLD]. He is 65. His wife's name is Ewa. He has a son and two grandsons.

Professor Jerzy Szacki says of Wiatr: "He will make a better education minister than his predecessors. He can be a good minister if he tries. He was never very popular with sociologists. I always thought he is better than others claimed. He is intelligent, exact, a good organizer, and reads a lot. He is knowledgeable, albeit shallow."

Interior Minister Zbigniew Siemiatkowski

A leading SLD politician, he supported the "apology" extended by Kwasniewski [for the communist past] in front of the Sejm in 1993. Three months ago he told GAZETA WYBORCZA: "When our four year [parliamentary] term expires in 1997, we will not have to apologize for anything." He thinks the SLD parliamentary club was wrong to vote against depriving Sekula [former head of the Main Customs Office] of his parliamentary immunity.

"There should be no limitation of Stalinist crimes in Poland," he told GAZETA WYBORCZA. He did not uphold the view in the Sejm. In the previous term he said: "Vetting is directed against the opposition rather than people of the ancien regime." He currently supports the presidential vetting draft.

At the end of January he said: "I am absolutely sure that the material in the Oleksy case does not justify charges

that he deliberately acted to the detriment of the Polish state."

He is 39, a doctor of political sciences. He represented the government side in the Round Table talks. A PZPR member since 1978. One of the founding members of the SdRP. Since 1991 he has been a parliamentary deputy and SLD spokesman. He is a member of Kwasniewski's campaign staff. After the presidential elections he was appointed deputy head of the National Security Office at the Presidential Chancellery.

Chairman of the Sejm Commission for Ratifying the Concordat. The commission ruled that the Concordat does not contradict the constitution. Siemiatkowski was criticized by the SLD for having supported that ruling.

Culture Minister Zdzislaw Podkanski

Formerly deputy minister of culture. Last July he confessed: "I cannot imagine going to a ball where I could not dance to folk music."

His passion is protecting professions that are becoming extinct, such as tissue paper and decorative art from animal horns, and pottery. In the ministry, he created a computer data base on folk artists.

"I am not worried that Minister Podkanski will do deals with his buddies. Every minister does that," said an officer of the Ministry of Culture and Art who asked to remain anonymous. "My fears are far more serious: He sees the entire culture in the context of folk music groups, brass bands, paper decorations, and the Lublin region he so deeply loves."

Podkanski was born in 1949 in Guzowka, in Zamosc Province. He has been an activist of the peasant movement since the 1960's, a member of the Chief Council of the Polish Peasant Party and head of that party's Lublin chapter. He has been working in the ministry since 1992.

Poland: Minister Confirms UOP Head Tendered Resignation

WS0902152296 Warsaw ZYCIE WARSZAWY
in Polish 9 Feb 96 p 3

[Report by "LUZ" under the "In Poland" rubric: "Siemiatkowski on Czempinski"]

[FBIS Translated Text] New Interior Minister Zbigniew Siemiatkowski has admitted that, among the documents his predecessor left for him in the ministerial safe, was the resignation of Gromoslaw Czempinski, chief of the Office of State Protection [UOP]. Whether the UOP head stays or goes depends on his meeting with the new minister, but, most of all, Siemiatkowski claims, on Prime Minister Wlodzimierz Cimoszewicz. "He is the

one who will make the decision," the interior minister declared.

Poland: Oleksy Sends Mixed Signals on Konieczny Ouster

LD0802202696 Warsaw PAP in Polish
1729 GMT 8 Feb 96

[FBIS Translated Excerpt] Warsaw, 8 Feb—Former Prime Minister Jozef Oleksy, the leader of the SdRP [Social Democracy of the Polish Republic], said on [Krakow-based] Radio RMF today that he did not agree with the decision by Prime Minister Wlodzimierz Cimoszewicz to leave Jerzy Jaskiernia, as minister of justice, and Jerzy Konieczny, as interior minister, out of the cabinet. Oleksy suggested that the decision was influenced by opposition criticism. [passage omitted]

This afternoon, Oleksy told the Polish Radio's Third Program that he was not against Jaskiernia's departure and shared the view that there should be a change in the post of prosecutor general and minister of justice "if only because this is the kind of ministry where, if there are any indiscretions, perhaps some quick answers... and, in general, if the minister found himself in the fervency of issues connected with the acute political struggle of a campaign, then, unfortunately, sooner or later the balance would turn out unfavorable."

"And here I had the same opinion as others. I only thought here that the attacks on Jerzy Konieczny as totally useless in the service of the state and in the government were exaggerated," the former prime minister said. He expressed the opinion that the former head of the Interior Ministry, Jerzy Konieczny, was criticized "for attempting to have his own opinion."

Poland: Unionists Demand Signed Agreement With SdRP

WS0902114096 Warsaw ZYCIE WARSZAWY
in Polish 8 Feb 96 p 3

[Report by "SAR": "The SLD: The OPZZ Wants Partnership Relations With the SdRP"]

[FBIS Translated Text] The All-Polish Trade Union Agreement [OPZZ] has demanded that the Social Democracy of the Polish Republic [SdRP] enter a cooperation agreement within the Democratic Left Alliance [SLD]. Until such an agreement is signed, OPZZ Chairwoman Ewa Spychalska has suspended her duties as deputy chairwoman of the SLD parliamentary club.

The OPZZ wants the agreement to provide for economic, information, and propaganda policies. The unionists do not want the SLD to be represented only

by the SdRP in the media. "Even TRYBUNA is off limits for the OPZZ," Spychalska complained.

The unionists also protested that none of their representatives had been invited to take part in the coalition talks on forming the new government, especially as the coalition agreement was renegotiated. "We feel offended and demand to be treated like a partner," said Spychalska.

The OPZZ head hopes the agreement will be signed by the end of February. Until then, she will suspend her duties as deputy chairwoman of the SLD parliamentary club. Spychalska did not say, however, what the OPZZ will do if the SdRP refuses to sign any agreement.

The conflict within the SLD surfaced on 29 January, when none of the unionists was invited to a meeting on the government crisis. "Everyone can come except Deputy Stanislaw Wisniewski," the SdRP leaders are alleged to have said. The OPZZ deputy chairman and deputy of the Union of Labor was removed from the SLD club in 1994 for voting against the coalition's draft budget law. Wisniewski had previously attacked the SLD for not looking after the interests of workers.

Poland: Netherlands Outbids U.S. in Offer of F-16's
WS0802132196 Warsaw SZTANDAR in Polish
8 Feb 96 p 1

[Report by "(wf)": "Dutch F-16's for Poland"]

[FBIS Translated Text] Netherlands is the second country after the United States to offer secondhand F-16 fighter planes to Poland. On Thursday, 8 February, the Embassy of the Kingdom of the Netherlands is to offer 20 F-16 planes to the Ministry of National Defense. An initial offer made in 1995 specified the price of 10 million guildens, which is the equivalent of \$6.052 million. The Americans are asking \$10 million for the same type of plane.

Poland: 1996 Privatization Schedule Discussed
96EP0023C Warsaw NOWA EUROPA in Polish
2 Jan 96 p 20

[Article by Pawel Florkiewicz, published under the rubric "Predictions 1996": "Privatization Landscape"]

[FBIS Translated Text] The year ahead will be very interesting as regards privatization. That is because several future operations of this kind, on an imposing scale, have been announced. In 1996 the revenues from capital privatization, so far the most profitable form of privatization, are expected to amount to 1.8 billion zlotys, that figure, precisely, being specified in the draft of the 1996 budget.

These proceeds are to be derived from the sale of such companies as the Copper Mining and Metallurgical Conglomerate Polska Miedz, S.A., and from finalizing the privatization of the still remaining state-owned tobacco factories. In addition, the Ministry of Privatization is planning to complete the privatization of breweries in Lezajsk, Tychy, and Gornoslaskie Zaklady Piwowarskie in Zabrze. Major commercial companies also are included, such as Ruch, Centrum Department Stores, Polski Handel Spozywczy, and, in the pharmaceutical industry, Cefarmy. Also to be added to this group should be LOT Polish Airlines, although in this case privatizing powers are vested in the minister of transportation.

Furthermore, the year ahead will be one of preparation for one of the most controversial cases of privatization, Telekomunikacja Polska, S.A. Until now this state company has been quietly existing on the market as a practically unthreatened monopoly—a luxury envied by many.

Capital privatization will apply chiefly to big companies. In the year ahead the ministry also intends to consider the possibility of reviving privatization by auction, an approach that has long been neglected. This is to offer an opportunity to about 90 state-owned companies that have often existed in the limbo of commercialization for several years.

It should also be borne in mind that, as the Ministry of Privatization itself has declared, 1996 may be one of the last years during which receipts to the State Budget from privatization will increase. By now there is an incipient shortage of enterprises whose sale will yield considerable income to the State Treasury. The remaining enterprises are mostly underperforming ones, which require greater capital investment or more complicated restructuring. Hence, in their case the number of willing buyers will also be smaller and the price correspondingly lower.

Moreover, the government will also face a major dilemma as to how to dispose of privatization funds. They have been estimated at 75 billion zlotys, and the purposes upon which they will be spent are many. This concerns, among other things, satisfying the claims ensuing from the ruling of the Constitutional Tribunal, the reform of the insurance system, the restitution of previously nationalized property, and the repayment of domestic and foreign debt. But now it is known that there is not enough for all this, and choices will have to be made.

We shall see just what is happening to share certificates, what their price is, and how many persons have picked them up. On the other hand, probably just as

importantly, we will also see what is happening at the companies participating in this program.

Although some say their number is very large and others that it is just over 500, these companies will certainly become a kind of indicator of effective management by the National Investment Funds or the management groups they have hired.

In the year ahead, the issue of the public distribution of state assets will also surface more openly. It may be that a referendum on this issue will be held in February. But this raises the question of what will come afterward. This concerns legislative delays regarding, e.g., laws governing closed-ended, open-ended, and pension funds, important to investing in them the vouchers to be received by the public in the event of the public distribution of state assets.

The Ministry of Privatization is promising that these delays will be overcome. Drafts of appropriate laws already are being prepared, but it is not known when they will be passed. As in the previous year, so in the year ahead, politics will hang like a vulture over privatization. The coming parliamentary elections in 1997 will quite certainly be preceded by an electoral campaign as early as this year. And experience shows that privatization will once again be a major issue at electoral rallies.

Poland: Daily Forecasts Economic Growth in 1996
96EP0023A Warsaw NOWA EUROPA in Polish
2 Jan 96 p 6

[Article by Malgorzata Pokojaska, published under the rubric "Predictions 1996": "Clouds Over the Economy"]

[FBIS Translated Text] Both government and independent economists agree that in the coming year, 1996, no major changes in the economic outlook should be expected. Growth in the gross domestic product will remain at the level of about 5 percent, while inflation, at about 20 percent, will remain high.

Some stress that an opportunity for faster growth exists, while others warn that a recession is coming. The question will be resolved by the number of positive factors in the economy, chiefly anti-inflationary ones.

GDP growth in the coming year is hardly controversial. Both the experts from the Central Planning Office (CUP) and those from the Institute of Research into the Market Economy maintain that economic growth in 1996 will be somewhat lower than in 1995. The CUP expects 5.5-percent growth compared with the anticipated 6.5 percent in 1995, while the Institute expects 5-percent growth compared with the forecast 7 percent for the year now ending.

Both institutions consider the expected economic slowdown to be due to the decline in exports, noticeable since the second half of 1995. This is due directly to the decline in the demand of EU countries for relatively unprocessed goods, which continue to dominate Polish exports. CUP experts emphasize the excessively slow rate of zloty devaluation, which does not correspond to the inflation rate. As for Institute representatives, they tend to stress the economic slowdown among our trade partners, due to the ending of the boom. This situation is expected to last until the end of the first quarter of 1996, whereupon the trends should become reversed.

Exports are at present the main locomotive of the economy. Owing to the foreign-exchange earnings gained in 1994, and especially in 1995, many companies could afford new investments, chiefly in the form of acquiring new machinery and equipment. According to CUP calculations, investment spending at large companies grew by more than 20 percent in 1995. This is hardly likely to recur in the coming year, chiefly owing to the slower rate of exports, and hence also of the revenues that could be spent on investments.

Forecasts of inflation differ more markedly. As is known by now, already in 1995 the actual price increases were much higher than envisaged in the Budget Act. When prices in December 1995 and December 1994 are compared, the inflation is at least 23 percent, versus the 16.9 percent envisaged in the Budget Act. For 1996 the CUP anticipates a slight decline in inflation: From December 1995 to December 1996 retail prices should increase by 17-18 percent. The Institute for Research into the Market Economy expects 21 percent. On the other hand, Prof. Jan Winiecki, a founder of the Society of Polish Economists, does not think that inflation in 1996 will be lower than in 1995. The professor does not perceive any "anti-inflationary factors" in the economy, and instead he perceives pressure on wages and prices from all directions. The high foreign demand and domestic consumer and investment demand favor price increases. In its turn, the "state-parasite" sector, which still plays a major role in the economy, exerts pressure on wage increases and budgetary subsidies. Salaried state employees, pensioners, and annuitants paid from the budget are not as significant a factor, but their possible influence on the decisions of politicians also should not be ignored.

Many economists believe that inflation could be suppressed by introducing a more restrictive monetary policy, but that would occur at the expense of economic growth. This is also the position taken by the CUP's management. Prof. Winiecki claims that, given the current political alignment, the National Bank of Poland could not pursue such a policy anyway. But even if it

could, this would not produce the expected results, because "it is precisely the anti-inflationary factors" that are absent in the economy. High inflation is, in the long run, pernicious to investment, because it makes impossible any realistic calculations. Yet it is precisely investment, including foreign investment, that is to be the prime mover of the economy over the next few years. Experts believe that in the year ahead inflation will not yet suppress the relatively high economic growth rate. But unless inflation is slowed down to a significant degree, businessmen will ultimately refrain from making investment decisions. And that would mean the beginning of a recession.

Poland: Stock Market Predictions Cautiously Optimistic

96EP0023B Warsaw NOWA EUROPA in Polish
2 Jan 96 p 10

[Article by Zbigniew Kazmierczak, published under the rubric "Predictions 1996": "Stock Market's Optimism With a Grimace"]

[FBIS Translated Text] As the new year approaches, investors are beginning to speculate how high the Warsaw Stock Exchange Index (WIG) will be by the end of 1996, how many new companies will be quoted, how high the trading volume will be, and, most important, whether it will pay to invest in stocks.

Hardly anything is certain on the stock markets, particularly in developing countries where the sociopolitical environment is very uncertain. It should also be considered that the opinions voiced by investors, brokers, or even investment counselors always reflect, to some extent, their pious wishes.

That may be why the forecasts are optimistic, as they are every year. Some say the WIG will exceed 11,000 by December 1996. In other words, this would mean that over that period stock investments should, on the average, yield profits close to 30 percent, which would be much higher than the forecast inflation rate and the anticipated bank savings yield. However, a situation in which the WIG actually outpaced inflation happened, for the first and only time, in 1993, that is, at a time of a soaring stock market. Hence, as far as stock market profits are concerned, for the time being only one thing is certain: For the next 12 months they still will not be taxed. This was made certain by the minister of finance in a special executive order.

Investors are showing more caution when speaking of the potential number of new companies to be registered on the stock exchange. Most remember the previous an-

nouncements that this number would double each year, but few believe that. There are no reasons to believe it anyway. The number of new companies quoted on the stock exchange in 1995 has been declining, and this trend is expected to continue in 1996. Experts refer here to several telling factors. First, the number of companies that are in good financial shape is shrinking, and only such companies have a chance of being quoted on the stock exchange. Besides, investors lack capital and share prices are low, which does not encourage exploring sources for financing growth in the capital market. Last, the political factor is not unimportant; in popular opinion, privatization is certainly no priority of the leftist government. A major event was the appearance of Polska Miedz, S.A., the copper conglomerate in Legnica, on the market, which was only casually mentioned by the minister of privatization. In brief, forecasts rarely specify a total of more than 80 companies quoted on the stock market by year's end.

The situation outside the stock and commodity exchanges is somewhat different, considering that the share certificates of the National Investment Funds (NFI) have become so popular in the last few weeks. They are being traded not only at brokerage offices but also at currency offices and even privately. They are widely available and they yield profits, so it is not surprising that they offer competition to the stock market. And that is not all, since the shares of the companies participating in the National Investment Funds also are going to be traded. This field, therefore, should become most attractive in the year ahead. That is, unless the enthusiasm is cooled by sharp disputes over what is better, a third stock exchange or an unregulated market in these securities.

It is likely that the year ahead will be a turning point for brokerage offices. For some time now their financial situation has been worsening. The volume of stock exchange transactions is low, and the number of these offices is growing. Thus competition is becoming sharper, and the struggle for commissions is on. In this connection, populist slogans for fixed minimum commission rates have been appearing. This is surprising, coming from brokers, who in theory support the free market. In one way or another, it seems that 1996 will be a year of consolidation of brokerages, since they (especially the nonbank ones) must merge in order to survive. As regards new instruments that have a chance of appearing on the market, continuous quotations, options, and puts and calls have long been mentioned, but so far nothing has been done about them. From what we know of the speed with which our decisionmakers act, in this case an accurate forecast would be most difficult.

Romania: UDMR Rejects Nastase's Coalition Offer
AU0902070896 Budapest UJ MAGYARORSZAG
in Hungarian 8 Feb 96 pp 1, 3

[Interview with UDMR Executive Chairman Csaba Takacs and UDMR Parliamentary Deputy Attila Varga by Udvardy; place and date not given: "They Offer Government Participation to UDMR—Unacceptable Conditions"]

[FBIS Translated Text] The inclusion of the Democratic Union of Hungarians in Romania [UDMR] into government activity repeatedly emerged in Romanian domestic policy circles in recent weeks. The UDMR Executive Board analyzed Adrian Nastase's, the Romanian Chamber of Deputies' president, recent statement that includes concrete conditions. Repeating his statements made during his recent tour of Szeklerland, Adrian Nastase, who is deputy chairman of the Social Democracy Party of Romania [PDSR], stressed that, for cooperation, the UDMR should pledge, among other things, to recognize the Romanian Constitution, to give up its autonomy plans, and to make changes in its "unnaturally close" relations with Hungary. UJ MAGYARORSZAG asked UDMR Executive Chairman Csaba Takacs and UDMR Parliamentary Deputy Attila Varga to present the UDMR position on this matter.

[Udvardy] What is the position of the UDMR Executive Board on Nastase's declarations?

[Takacs] Nastase's declarations contain shocking claims, particularly the part referring to our relations with Hungary. As far as I know, the UDMR does not have any "unnaturally close" relations with any country. We were also surprised to hear Nastase's statement referring to the UDMR's behavior regarding the Constitution because, except for the fact that we did not vote in favor of this Constitution, the UDMR respects this Constitution. We did take our reservations regarding the stipulations of this Constitution to the public, but this is a democratic right and it would be a big mistake to question such a right.

[Udvardy] Nastase also claimed that the UDMR was thinking in terms of ethnic autonomies.

[Takacs] Our autonomy forms are based on cultural, territorial, and personal autonomy. I think that, as opposed to all this, Mr. Nastase targeted the political rights of ethnic autonomies, something that would affect the sovereignty of a state to such an extent that the UDMR refrained from formulating this in its program or political goals.

Irrespective of the fact that he had a possible UDMR participation in a government coalition in mind when he formulated his opinion about the UDMR program, I

hope that Mr. Nastase does not doubt that the UDMR continues to try to implement its program within the framework of a uniform Romanian state.

[Udvardy] Do you have reservations regarding the idea of cooperation in a coalition, or do you accept it?

[Takacs] We repeatedly initiated the settling of these issues in the framework of an open dialogue. This statement could lead to both the creation of a more uniform coalition and the restarting of Romanian-Hungarian dialogue. The need for cooperation has not taken the UDMR by surprise, but we do not regard participation in government as our main task; instead, our main task is to guarantee the rights of the ethnic Hungarian national minority in Romania and to build the system of community institutions. Participation in a coalition is only one means of attaining all this.

Answering UJ MAGYARORSZAG's questions, Attila Varga formulated the reservations of the UDMR parliamentary group, namely, that the statements on coalition cooperation are among Nastase's campaign declarations. There has not been any previous discussion or personal or official meeting in this matter, and the UDMR group in Parliament will only discuss this issue now—Attila Varga pointed out and added the following: "Actually, there is nothing to discuss about this Nastase proposal, because we continue to stick to our program and our basic principles." The Hungarian deputies in Parliament think that "all this is most probably a bluff Nastase used at the recent conclusion of his tour of Transylvania."

Romania: Senate Chairman Explains New Law on Secrets

AU0802131796 Bucharest Radio Romania Network
in Romanian 2000 GMT 7 Feb 96

[Interview with Radu Timofte, chairman of the Senate Defense Committee, by Bucharest Radio correspondent Dan Preda in Bucharest on 7 February—recorded]

[FBIS Translated Text] [Preda] As is only natural and as we promised in an earlier newscast, we now return with a comment on the law passed today during the Senate plenary session. It is the draft organic bill on the protection of state secrets, or rather, according to its new name as passed by the Senate, the draft organic bill on the protection of state and commercial secrets. We asked Senator Radu Alexandru Timofte, the chairman of the Senate Defense Committee, to tell us his opinion.

First let us tackle the name of the bill itself. Why do you think it was necessary to combine state and commercial secrets?

[Timofte] I do not think they are combined; both are formulated separately, in separate chapters of the draft

bill. Initially, when we first discussed this draft, we did not choose this variant, and, at that time, the law was called the bill on the protection of state secrets. That is what we initially wanted, but later they came up with various amendments, some of which were justified, and that is why, when we resumed debate in committee, we accepted a change in the name of the law, too, and agreed to call it the bill on the protection of state and commercial secrets. In the text of the law we tried to define as clearly as possible what should be considered a state secret and what is a commercial secret, and we tried to regulate those two domains. That is why we also dealt with commercial secrets in the text of the same law. We did not want to have a separate law on commercial secrets.

We consider that it is not normal, at least not in the coming five, six, or ten years, that these two chapters should be dealt with separately.

[Preda] Let us return to the text of the law. Let us see how state secrets are defined by the law. State secrets are documents, data, and pieces of information that obviously have such a nature, as well as those that are qualified as such by law, or declared or classified as such by government ordinances. Why did you include government ordinances, if this is an organic law?

[Timofte] All government ordinances have to be passed subsequently by Parliament. In the initial text we wanted the government to be solely authorized to regulate this. However, when we resumed debate in the two committees—I am referring to the defense and juridical committees—we established that it would be better if we change this to government ordinances, as those documents only become law if passed by Parliament. The idea was that, regardless of what government is in power, the latter should not commit abuses in classifying such documents as state secrets. As a consequence, all governments, regardless of color, have to send document classifications referring to various departments and activity sectors to Parliament.

[Preda] Let us turn to commercial secrets. I quote: public authorities and institutions, companies, as well as all juridical private persons are entitled to limit access to documents, data, and information that, according to their own regulations, are considered commercial secrets—within the limits of the law, naturally.

[Timofte] We have left it up to the leaders of public institutions—and by this I mean such things as companies, regardless of whether they are run by the government or private persons, but also state administration authorities, such as mayor's and prefect's offices, and even ministries—to establish their own regulations regarding the classification of such documents, as they

know much better the kind of problems they face and they know better how to keep such documents confidential so that they do not get in the hands of other interested bodies. I believe that it lies in the interest of all institution or company leaders to establish strict rules regarding the protection of such documents, so that an invention in one company, for instance, cannot be stolen by another, by the competition.

[Preda] Article 1, Point 2 says that the protection of state secrets is a legal obligation and a civic duty of each Romanian citizen to show loyalty to the country. During the debates in the plenum, you displayed a stance that was at variance with the opinion of Mr. Cornel Gheorghiu, the secretary of the committee.

[Timofte] It was considered that my position regarding this stipulation was even an intransigent one. One should not forget that initially we said this is a moral duty of each citizen, but later on we altered this, calling it a civic duty. But before I answer, let me ask a question, too: who is afraid of an exigent law on the protection of state secrets? Why should one take refuge behind a pretext if one is correct and exigent with oneself and if we mean this country well? I believe that this stipulation would not have been included at all, were it not for treason cases, persons who sell secret documents, and many other such aspects. If this stipulation causes fear, it could be eliminated, but it can also be made even stricter, depending on which legislator is tackling it. Personally, I favor tougher regulations for such cases, because, since 1990, when the borders were opened, but not solely due to this reason, it has become almost customary that everyone should sell what one can or wants just to make money, to the detriment of Romania's national interests.

I would also like to point out that, before we elaborated on this, law we examined similar laws of at least a dozen countries having long democratic traditions, whose regulations are much tougher than ours. I do not wish to go into further details, because you probably already know them by heart, as I talked about them today at noon. My colleagues grasped what I meant, and as you saw, when it came to a vote, they endorsed me, that is, the article proposed by us.

[Preda] My last question: do you think that this law represents genuine progress to achieve openness?

[Timofte] This is not a law intended to achieve progress toward openness. To achieve openness, first one has to also....

[Preda] I just mentioned this because earlier today you also mentioned the secrecy mania....

[Timofte] Well, in connection with the secrecy mania, perhaps it would not have been bad if we had displayed

more of that mania, at least in the first years that followed the [1989 December] revolution. Now things are beginning to settle down, and the openness you mentioned is now welcome; it is good if it does exist. However, we need to establish by law just how far openness stretches. This is precisely what the law in question is intended to do. And we think that we succeeded.

Romania: Navy Buys 'Latest' in Satellite Communications

AU0902072896 Bucharest *EVENIMENTUL ZILEI*
in Romanian 5 Feb 96 p 8

[Report by Doru Iordache: "The Romanian War Vessels Have Become Better Than Those of the Americans"]

[FBIS Translated Text] As a result of cooperating with the U.S. Army within the Partnership for Peace program, the Romanian Navy has received \$463,634 as compensation for participation expenses. This amount was used to buy equipment for the Romanian combat vessels. On the basis of the principle, "I am too poor to afford cheap things," following a public tender, the Navy purchased seven IMMARSAT satellite communication systems of the Saturn-B 24 GPS class (equipment to establish the geographic position by means of satellite) and 50 Motorola Navy-type handies. The seven satellite communication systems are the latest models in that domain, and they can be used to send telexes, faxes, and video images at a very high speed (they have a transmitting capacity of 9.6 kilobytes per second) to any place on the planet. At this chapter we bested the U.S. Navy, whose equipment consists in IMMARSAT systems of the Saturn-A class. The equipment was manufactured by Nera Telecommunications of England. The GPS system belongs to the latest generation of such apparatus manufactured by Philips, and two of them have also been provided with plotters. From a statement made by Navy Commander Nicolae Vladutoiu, we learned that the error margin in establishing the geographic position by means of the new GPS equipment does not exceed 15 meters. All of the equipment arrived in Constanta at the end of January this year.

Romania: Hrebenciuc's Appointment Described as 'Immoral'

AU0702120896 Bucharest *ZIUA* in Romanian
1 Feb 96 p 2

[Editorial by Sorin Rosca Stanescu: "The Elections Will Be Rigged"]

[FBIS Translated Text] A part of the opposition recently gave a delayed and timid reaction, that of an adolescent boy, to the appointment of Viorel Hrebenciuc [secretary

general of the Romanian Government and coordinator of the Council for National Minorities] as head of the PDSR [Social Democracy Party of Romania] electoral campaign. The other part of the opposition did not even show the usual surprise. Many journalists, most of them enrolled in the PDSR's army of pen pushers, quickly announced that the year 1996 will be characterized by a dirty and maybe even violent electoral campaign. They must know what they are talking about. The appointment of Victor Hrebenciuc as electoral campaign manager places the elections from the very beginning under the sign of fraud.

I do not intend to deny Hrebenciuc's indisputable qualities as a politician, as organizer of an operation of such great scope as local, general, and presidential elections. On the contrary: As an observer of political life, I can say that Hrebenciuc indisputably deserves credit for the victory obtained by Ion Iliescu in 1992 [elections]. I will not refer to the numerous accusations of corruption against him, many of them having been proved as legal acts. It is clear that Hrebenciuc often came out clean thanks to the support received from Cotroceni [Romanian Presidency]. Presidential support has been granted to him for two reasons: Because Hrebenciuc knows too much and once abandoned he might talk, and because he could continue to be just as useful as before. His appointment as electoral campaign manager is immoral for completely different reasons. There is no democratic country in the world where a person who belongs to the government can be appointed as director of the electoral orchestra and Hrebenciuc is no less than general secretary of the Romanian Government. Together with his close collaborator, Octav Cosmanca, head of the local public administration, he holds all the levers of power. In the past four and a half years of ruling, Hrebenciuc appointed trustworthy people from the PDSR in every position where citizens' options can virtually be influenced. Those people in the local public administration or in the not yet state-run economy, who were not PDSR members, were either forced to enroll in this party or were replaced under various pretexts. With Viorel Hrebenciuc at the helm of the electoral campaign, the PDSR has a huge apparatus for manipulating public opinion. This is a winner from the beginning. No other party can throw into the electoral battle hundreds of thousands of public employees, directed through administrative levers. This amazing mechanism of overwhelming effectiveness is built completely on the state's money. The PDSR will virtually win the elections with the help of the taxpayers, a great proportion of whom are in fact supporters of other parties. This is fraud. It is not accidental that in the free world such a system has long been abolished. Just imagine in the United States Clinton trying to enter the elections using the Amer-

ican citizen's money, the State Department, the FBI, CIA, National Federal Fund, etc. It would simply lead to civil war. Every citizen of a civilized country knows this. Therefore, there is no civilized country in the world where a certain Hrebenciuc could be electoral campaign manager of the ruling party. Not even if he resigns before the electoral machine gets into the fifth gear. Not even if he had resigned before the start of the electoral campaign.

The three poles of the Romanian opposition, the Christian-Democratic, grouped in the CDR [Democratic Convention of Romania], the Social-Democratic, grouped around the Democratic Party, and the Liberal, still grouped, seem to be hit by a drowsiness that is equal to political suicide if not complicity. Normally, before a serious attempt to rig the elections, the opposition would create a huge, well-organized scandal, threatening to boycott the elections.

It is worth noting that I have not referred in this editorial to the dirty money obtained for the PDSR's electoral campaign, to the way in which it was obtained, and to the person who orchestrated such fraudulent operations from the shadows. Not yet!

Romania: New Pensioners Party Elects Leadership

AU0902072996 Bucharest ROMANIA LIBERA
in Romanian 5 Feb 96 p 3

[Report by Claudiu Harceaga: "In the Race for Cotroceni, Florin Piersic Will Be Supported by...the

Democratic Party of Pensioners in Romania and Diaspora"]

[FBIS Translated Text] On 3 February, the well-known folk singer Irina Loghin was officially elected president of the Democratic Party of Pensioners in Romania and Diaspora [PDPRD]. Alongside her in this original party, one can find other singers, such as Benone Sinulescu (vice president) and Angela Moldovan (first vice president). The PDPRD executive president is Ion Marin, former parliamentarian of the Social Democracy Party of Romania. The honorary president is George Emil Palade [writer and philosopher]

The leadership of the newest party in Romania claims that it has 13,000 members and that it will easily win the next parliamentary elections. As its emblem, the PDPRD has chosen Romania's map with the Bible in the middle of it. Although there exists another party of pensioners in Romania, the PDPRD believes that, through its electoral offer, which, for the time being, only limits itself to eradicating the poverty in Romania, it will gather all the votes of the pensioners and poor in Romania, including those in Diaspora, because "they trust the people running the party." The PDPRD will support one of the many candidates for Romania's presidency, namely, actor Florin Piersic.

Federal

FRY: Milosevic, Russia's Grachev Meet, Discuss Bosnia

LD0802173196 Belgrade TANJUG Domestic Service in Serbo-Croatian 1653 GMT 8 Feb 96

[FBIS Translated Text] Belgrade, 8 Feb (TANJUG) — Serbian President Slobodan Milosevic today received Army General Pavel Grachev, the Russian Defense minister, who is on an official visit to the Federal Republic of Yugoslavia.

During frank and friendly talks special attention was paid to the current military and political situation in the Balkans, with the stress on the course of the implementation of the peace agreement on Bosnia. They also discussed issues relevant to military and technical cooperation between the FRY and the Russian Federation.

Milosevic and Grachev said that intensive efforts and activities on the part of both the Federal Republic of Yugoslavia and international players produced good results in the implementation of the peace plan, which encouraged the consolidation of peace and stability in the Balkans and the restoration of trust among the states and peoples in the region. They also said it was particularly important to continue the current peace process and constructive cooperation between the [warring] sides and the peace forces, which must maintain an unbiased attitude and ensure that all the sides adhered to the [peace] agreement, which excluded any arbitrary decisions or overstepping of power to the detriment of either of the sides.

Several initiatives were launched during the meeting concerning the further development of cooperation between the Federal Republic of Yugoslavia and Russia, with special emphasis on scientific and technical cooperation and the exchange of professional experiences, which is important for the military industry and for the success of technological development.

Federal Defense Minister Pavle Bulatovic and Colonel General Momcilo Perisic, chief of the General Staff of the Yugoslav Army, took part in the talks.

FRY: Defense Minister Talks With Russian Counterpart

LD0802221496 Belgrade TANJUG Domestic Service in Serbo-Croatian 2045 GMT 8 Feb 96

[FBIS Translated Text] Belgrade, 8 February (TANJUG) — The development of versatile cooperation in the sphere of defense between the Federal Republic of Yugoslavia (FRY) and the Russian Federation is of great importance for the strengthening of peace, international

security, and stability, it was assessed at the talks today between the federal [Yugoslav] defense minister, Pavle Bulatovic, and the defense minister of the Russian Federation, Army General Pavel Grachev.

On the basis of earlier agreements and the agreement on military cooperation, signed in Moscow last year, the two ministers agreed that relations between the two countries should be improved significantly, the information service of the federal defense minister announced.

In that view it was concluded that it was necessary to intensify contacts at all levels between the defense ministries and the general staffs of the FRY and the Russian Federation, in order to review issues of mutual interest. Specific forms of military and military-economic cooperation will this year be regulated by a special plan, Minister Bulatovic and Grachev agreed.

FRY: Bulatovic Warns Over Arrest of Serb Soldiers

LD0702212396 Belgrade TANJUG in English 2045 GMT 7 Feb 96

[FBIS Transcribed Text] Sofia, Feb 7 (TANJUG) — Bulgaria and Yugoslavia will shortly sign a confidence-building agreement, the two countries' defence ministers said at a press conference in Sofia on Wednesday.

The ministers, Dimitar Pavlov of Bulgaria and Pavle Bulatovic of the Federal Republic of Yugoslavia [FRY] (Federation of Serbia and Montenegro), said that a working group of the two ministries' experts would draft such an agreement by the end of February.

They said that the ministries were in accord that a Balkan conference of defence ministers should be convened in the interest of consolidating regional stability and security.

The two ministers said that there would be no peace in Europe if there was war in the Balkans, which was why all initiatives for promoting good relations on an equal basis were useful and acceptable.

The Bulgarian and Yugoslav ministries signed an agreement in Sofia on Wednesday that opens prospects for upgrading ties between the two states and armed forces on an equal basis and to mutual advantage.

Bulatovic referred to the arrest of Lt.-Gen. Djordje Djukic of the army of the (Bosnian Serb State) Republika Srpska and his aides by the Muslim Army on Jan. 30, saying it could reflect negatively on the implementation of the Bosnian Peace Accord.

The officers were arrested while going to attend talks with representatives of the NATO-led Peace Implementation Force (IFOR) in Bosnia-Herzegovina to discuss

the implementation of the peace accord reached at Dayton, Ohio, United States, on Nov. 21, 1995.

By arresting the officers, the Muslim Army has set a precedent in international law, which had until then not known an instance where peace negotiators were arrested, Bulatovic said.

With this action, the Muslims have jeopardised the implementation of the Dayton Peace Accord, he added.

"What would have happened if the Republika Srpska, for instance, had done a thing like this. We are surprised that the international community and the NATO force in Bosnia have not reacted to this unusual act of bad faith on the part of the Muslims," Bulatovic said.

Serbia

Serbia: Karadzic, Milosevic Meet To Discuss Tensions in B-H

AU0902112596 *Bad Vilbel VESTI in Serbo-Croatian*
9 Feb 96 p 1

[Unattributed report: "Karadzic and Krajisnik With Milosevic"]

[FBIS Translated Text] Radovan Karadzic, president of the Serb Republic [Serb-held area of Bosnia-Herzegovina], visited Belgrade two days ago, and held talks with Serbian President Slobodan Milosevic, BETA has reported, citing Serb sources in Banja Luka.

The same sources claim that Karadzic and Milosevic discussed "the new situation that emerged after the arrest of Serb General Djordje Djukic," and the ensuing heightened tensions in Bosnia.

The Bosnian Serb Assembly Chairman Momcilo Krajisnik also attended these talks.

Karadzic, Krajisnik, and Serb Republic Vice President Biljana Plavsic arrived in Banja Luka yesterday, and they are supposed to stay there until Saturday.

The Serb sources were not willing to disclose any other details concerning Karadzic's trip to Belgrade.

Serbia: DSS President Briefing on Christopher Visit

AU0802182096 *Belgrade NASA BORBA*
in Serbo-Croatian 8 Feb 96 p 4

[Report by V. Didanovic: "Christopher Has Reminded Milosevic That Sanctions Could Be Reintroduced"]

[FBIS Translated Text] Belgrade — The regime in Serbia has tried to present the visit by U.S. Secretary of State Warren Christopher as a major progress in relations with the United States. However, Christopher came to Belgrade to draw Slobodan Milosevic's atten-

tion to the fact that the FRY sanctions could be reintroduced if no cooperation with The Hague was established and that there can be no reintegration in the international community without a solution to the Kosovo problem. This was stated by Vojislav Kostunica, president of the Democratic Party of Serbia (DSS), at a news conference yesterday.

Kostunica said that cooperation with the The Hague International Tribunal could lead to many other issues being raised. According to him, these issues "are not only being hushed up by the Croatian authorities and the international community, but also by the regime in Belgrade." Listing examples of such issues, Kostunica mentioned the crimes against Serbs in Knin, ethnic cleansing in Mostar — in which, according to the town's administrator Hans Koschnick, there were 20 percent Serbs in 1991 — as well as the events in Sipovo and Mrkonjic Grad. The cooperation with The Hague, the DSS leader said, could help refute the claims by John Shattuck, assistant U.S. secretary of state for human rights, that the sights in Omarska and Ljubija confirm witnesses' allegations about committed crimes.

Speaking about the Kosovo issue being raised in the Milosevic-Christopher talks, Kostunica stressed that the Serbian president was warned that the "talks must be held only with the legitimate representatives of Kosovo Albanians, and not with the 'honest' Albanians." The DSS is in favor of confrontation with facts, and takes the view that the Kosovo issue can only be resolved through the regionalization of all of Serbia, Kostunica said, and then asked the question:

"If Serbia is to return to the world via Kosovo, as Christopher says, does this mean that, when the issue of human rights in Kosovo is resolved, Serbia will bloom as a democratic state?"

In reply to a correspondent's question on the proposal by the Serbian Radical Party that four opposition parties sign an agreement, Kostunica said that the key provision of the proposal is the one that refers to the rejection of cooperation with the SPS [Socialist Party of Serbia], and recalled the principle that, according to him, the DSS has been adhering to for years, the principle that consists of "two no's" — no squabbling among opposition parties and no cooperation with the SPS. The SRS' proposal represents only a variation of that view, the DSS leader said, adding that the agreement makes no sense unless it is signed by all the parties. One of the DSS' objections to that document refers to the section, which, according to Kostunica, "draws the Church in an inappropriate way into something that is strictly a political issue."

Asked to comment on the break in relations between the Serb Republic and the Government of Bosnia-Herzegovina, the DSS president said that the incident that has happened "has clearly shown what living in Sarajevo and the Bosnia-Herzegovina Federation means to Serbs" and that the absence of a dramatic reaction by the United States means that the scenario of as many Serbs as possible leaving Sarajevo was in fact counted on.

Montenegro

Montenegro: President Meets Russian Defense Minister

LD0802212296 Belgrade TANJUG in English
2100 GMT 8 Feb 96

[FBIS Transcribed Text] Belgrade, Feb. 8 (TANJUG)
— The peace process in the former Yugoslavia has

a solid chance for success, President of the Yugoslav Republic of Montenegro Momir Bulatovic and Russian Defence Minister Gen. Pavel Grachev agreed during talks here on Thursday.

"The talks dealt with the current stage of the peace process, and Grachev informed us about his visit to the Russian contingent in Bosnia," Bulatovic said after meeting with the Russian defence minister.

Commenting on the abduction of a group of Bosnian Serb officers and soldiers, Bulatovic said that "IFOR [Implementation Force] has a duty to act more resolutely in such cases."

He said he and Grachev had expressed hope that this was an isolated incident which would have no serious effect on the peace process.

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